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THE WHY OF POVERTY

G. H. HUBBARD

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THE WHY OF POVERTY

BY

GEORGE H. HUBBARD

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TO MY WIFE

THIS,

MY FIRST IN COVERS,

IS

AFFECTIONATELY DEDICATED.

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THE WHY OF POVERTY.

CHAPTER I.

INTRODUCTION.

The most troublesome element of the social problem on its economic side is the element of *poverty*. All other questions at the present time seem to radiate from this as their common center. Every scheme for reform seems to have this for its ultimate end,—to relieve poverty. Poverty makes men restless, it makes them envious, it makes them desperate. And there is poverty in our land, hard, grinding poverty, notwithstanding the fact that the nation as a whole is growing richer at the rate of more than a billion dollars annually. Periodically there sweeps over the country a wave of hard times and thousands of struggling workers are almost swallowed up in its resistless flood. Even during what we call easy times there are many who must battle night and day to keep the wolf from the door. Multitudes of families know nothing of luxury,

and not a few are strangers to even the comforts and decencies of life. Children are reared amid squalor and filth unfit for animals. Women wear out their lives toiling for a mere pittance. Hungry ones long in vain for nourishing food; and weary ones are spurred on to their toil by the knowledge that rest means starvation.

These weary ones look across the way and see their neighbors living in plenty, who apparently toil no harder than they. The sight fills them with discontent; for they feel sure that something is wrong with the world in which they live. Wealth is certainly very unequally distributed. The fact is patent to all, and the question naturally arises,—What is the cause of this inequality? Who is responsible for the fact that one man has enough and to spare while his brother man perishes with hunger? Is it the fault of existing social systems, or of the wickedness of individual men and women, or of an unequal Providence?

This is a vital question. It strikes at the tap-root of the social problem in its broadest outlook. In the cause of an evil lies the secret of its cure. Therefore the first step towards the cure of poverty must be the discovery of the causes of poverty.

Most men are ready to lay the blame for every evil and for every misfortune which they suffer upon others, whether they have sufficient

reason to do so or not. The poor are apt to say that their condition is the result of adverse circumstances. They accuse their wealthier neighbors of dishonesty and extortion. They murmur against the peculiar difficulties and adversities which Providence has placed in their pathway. The writings and speeches of radical socialists abound in denunciations of all who have succeeded in accumulating large fortunes. Without discrimination they are branded as robbers of the poor, oppressors of the weak, enemies of honest toil; and the poor are led to believe that the property of every rich man represents a certain amount of wealth stolen directly from them. On the other hand, how often we hear the wealthy and comfortable ones speaking contemptuously of the poor as the miserable and pitiable victims of their own ignorance or lack of thrift. They say that all who suffer are themselves to blame. They are idle, careless, improvident, immoral, and much more of the same sort.

Such sweeping denunciations on either side are unjust, and most frequently they are the utterance of those who know but little as to the actual truth involved. Worse than all, they do not help in the smallest degree to relieve existing difficulties or to prepare the way for better things in future. Quite the contrary. They intensify all feelings of hostility and drive men farther apart than ever, thus

causing an unreasonable and useless delay in the solution of the social problem.

In all such assertions there is a shadow of truth, a small basis of reason; and it is this element of truth that gives them power for evil. There are undoubtedly many dishonest men among the wealthy. But there are also many dishonest poor men. If some of the poor are thriftless and idle, the rich are not without their idlers and their unthrifty ones. Wealth is not proof positive of dishonesty any more than poverty is incontrovertible evidence of a lack of thrift and industry. Furthermore, if a man is poor because he has been wronged, it does not follow by any manner of necessity that he has been wronged by a rich man. Whenever, therefore, a tale of wrong and suffering comes to us, we cannot jump at once to a conclusion regarding the cause. We must investigate the matter carefully in all its bearings, before we can pronounce judgments that shall have any weight or offer advice that shall be of real service. We must first inquire who has been wronged. We must find out to what extent he has been wronged. Then we must ask who has wronged him. Is he really wronged at all? Or is he simply unfortunate? Has he been wronged by others or by himself? Is his unhappy condition the result of his own ignorance, selfishness, obstinacy? Or has he been the

helpless victim of a partial Providence or an unequal system of distribution? That a person is wronged implies injustice on the part of some one. That which is wrong when suffered cannot be right when committed. It may be himself, or it may be another, that has done the wrong. Wherever the wrong lies, we must trace it and remove it. Otherwise we may not hope to remove its results.

As we study the conditions of American society one fact impresses itself upon us almost immediately, namely, that the poor of our land do not belong to any particular class, nor can they be said to form a distinct class of themselves. This fact should be emphasized, for it is significant. Many associate poverty with toil, and talk about "poor working people." Others speak of the "poor classes," and the "wealthy classes," as though there are some distinct line drawn between them. Now, however this may be in other lands, it is not so in our own America. Our poor are not a separate class, nor are they all working people. Many of the hardest workers in the land are among the so-called wealthy classes. The thousands of poor people in our great cities and elsewhere are in the main so many distinct and wholly unrelated units. They are not connected by ties of class or heredity. The poor man of to-day is the son of yesterday's millionaire, and his son will probably be the

capitalist of to-morrow. The rotation "from shirt-sleeves to shirt-sleeves in three generations" is no myth, but a common occurrence in American society. Furthermore, the man who now complains of poverty but a few years ago stood side by side with his rich neighbor in school, in the work-shop, or in the counting-house. Then there was no appreciable difference in their wealth. They began life at practically the same point; but their paths diverged. No candid student, therefore, can justly connect poverty and labor as though there were some natural relation between the two.

To connect poverty with progress, as though the latter were cause and the former effect, is equally unjust. The assumption that poverty increases as a consequence of the material progress of society is utterly false, not to say foolish. The countries of the Old World have made great material progress during the past few centuries, and poverty *has not increased.* On the contrary, the most carefully collected statistics and the most thoroughly sifted facts prove that poverty and pauperism have decreased in modern times. In England the number of paupers to-day is less than one-half as great in proportion to the entire population of the country as it was in the seventeenth century. Even the casual reader of history cannot be ignorant of the fact that in England and France the condition of the poorer people has

been constantly improving for two hundred years. In our own land the condition of things is vastly better than in any country of Europe. We must take into account the enormous increase in our population during the present century, and it would be difficult to prove that the proportion of poverty is any greater than in the early days of our national existence. One thing is certain; the average earnings of laboring men are rapidly increasing, and every year the manual laborers are securing a larger share of the profits of production. The truth of this statement may be easily verified by any intelligent person who will take the trouble to consult the facts within the range of his own observation.

The writer of *Progress and Poverty* brings before us, as an illustration of his pet theory, the growth of a new state like California, and says that in the early days of its history, before the resources of the State began to be developed, there was no appreciable poverty within her borders; but with the building of railroads and the development of the wonderful resources of the State poverty appears. Therefore,—*the material progress of the State is the cause of the poverty of some of its inhabitants!*

Such a conclusion, though widely accepted, is a palpable *non sequitur*. To use a technical phrase of the schools, it is "mistaking ante-

cedent coincidence for cause." As well might we say that because Mr. Jones died on the very day when Mr. Smith was married, therefore, Mr. Smith's marriage was the cause of Mr. Jones' death, or vice versa. Before the resources of California were developed and railroads built, only men of energy or of some wealth could obtain a settlement in the state but with social development and improved facilities for travel multitudes have flocked in, poor men as well as rich, the idle as well as the industrious, tramps and speculators as well as artisans and legitimate traders, and they have brought with them all the causes of poverty. The gravest charge that we can justly make against the material progress of the state is that it has not sufficed in every case to neutralize the real causes of poverty.

The same may be said of the country at large. Poverty exists *in spite of* increasing wealth. But no reasonable man can ask the question,—Why does increasing prosperity tend to make certain classes of the people poorer? Such a question is stultified by facts. Increasing prosperity *does not tend to do any such thing*. The question which we must ask, and which it is above all things important that we should answer, is—*Why does not our marvelous national prosperity preclude the possibility of any individual cases of poverty within our borders?*

In asking this question, we take one thing for granted. The nation as a whole is growing richer. The poverty which causes so much trouble and complaint is individual. In other words, many individuals in the land do not share in the constantly increasing national wealth. These facts are universally acknowledged, although their significance is often misunderstood. Mr. George, in all his works, bears testimony to the material prosperity of our country, and the most radical socialistic writers do the same. In fact, this is the chief source of their grievance. If society *in general* were growing poorer, then there would be no cause for complaint or even for surprise that individuals are poor. But poverty is not national; nor are all men growing poorer. The charge is made that while one portion of society is daily growing poorer, others are growing proportionately richer, day by day. It is asserted that the benefits of our increasing national wealth are shared by only a part of the people, and that those who need it most not only fail to obtain any share of it, but are actually losing that which they already possess. The truth of such a statement has been questioned, however, and the most thorough students of social economy assure us that the poor are in point of fact the greatest gainers by the country's prosperity. But which posi-

tion soever is the true one, all are agreed on the one point,—that poverty is *individual.*

In attempting to discover and explain the causes of poverty, modern socialists of the popular type ignore this fact. They attribute poverty to an imperfect system of social organization, and to the unequal division of the profits of labor. Now, if these were really the chief causes of poverty, we should find the ranks of the poor recruited constantly from particular classes. The demand for reform in any *national* or *general* system is always based on the assertion that it militates against particular classes in the community. Those who argue in favor of the " Single Tax Doctrine," say that the present system works to impoverish all who do not own land. Advocates of " Protection " and of " Free Trade " alike claim that the realization of their ideals would be a financial blessing to " working men." And so with other proposed changes; they deal with men in classes. Since, therefore, poverty does not affect classes of men, but is wholly individual, we must seek for its causes in something wholly independent of our political or social organization. In short, we must seek for *individual* causes.

No one doubts that our social organization is susceptible of improvement at many points. Many are willing to acknowledge that there is a certain plausibility, to say the least, in the

theory of the public ownership of land, in the "Single Tax Doctrine," in the teachings of the "Nationalists." To some the notion of "Free Trade" is also very acceptable. In many ways it is clearly possible to bring about a more equitable distribution of the fruits of industry than is secured by existing laws and institutions. We can easily see, however, that all such changes must be very general in their results. They will, when perfect, secure absolute fairness to all the various classes of society, but they can neither prevent nor cure individual poverty. Even the absolutely equal division of the aggregate wealth of society would not accomplish that result except for a brief moment. W. H. Vanderbilt's enormous income, divided amongst his employees, would not have added a hundred dollars each to their annual incomes. Neither would the most equitable adjustment of taxes, coupled with the fairest division of profits, increase the average income of our poorer citizens to any perceptible degree. By all means let us have these reforms, so far as they are just and right; but let us not expect too much from them. We may put them all in practice and yet find that poverty has not been cured or appreciably diminished.

During a period of excessively hot weather the entire population of a city may feel physically disordered. In addition to this general

depression some individuals may have contracted distinct diseases through contagion or from some other cause. With a return of cooler weather the general tone of public health will be improved. Doubtless all will be somewhat better, but the sick ones will not be cured without special treatment and medicine suited to each disease. In like manner, while we may expect a general improvement in the conditions of society to result from improved social organization, we may hope to cure individual cases of poverty only by applying remedies that are as specific as the disease.

That there are specific or individual causes of poverty in our land, and that they are many in number and grievous in their effects, no one will have the hardihood to deny. They are apparent even to the dullest minds. Their comparative importance and extent are, however, often underestimated. They are considered of trifling significance in comparison with political systems and inequalities in the general organization of society. Popular reformers for the most part ignore these plain, prosaic facts, and go soaring off into the upper regions of theory, where they can avail themselves of the enchanting power which distance always lends to the view. Yet these commonplace facts are not so trifling and unimportant as many would have us to believe. On the contrary, they are *the important facts* in the

case. They constitute a force sufficient to vitiate whatever good results we may obtain from the best regulated system of social organization.

We need mention in this connection only a few of the more prominent among these disturbing forces by way of illustration.

First among them is the *Liquor Traffic.* The annual amount of this traffic is estimated at *from seven to nine hundred millions of dollars.* To this must be added an immense sum for indirect expense caused by the traffic, if we would measure the full power of the evil. Now the effect of this traffic upon the general wealth of the nation is not felt in any marked degree, although it diverts into useless and harmful channels a vast amount of energy that would otherwise be employed in valuable production. Neither does it perceptibly affect the *original* distribution of wealth among the various classes and individuals of society. It does, however, operate *after the original distribution* of the national wealth to entirely derange the results of that distribution, by transferring money from one individual to another without bringing any equivalent return. Thus the wealth of many individuals is diverted from its proper use and is practically consumed.

The same is true of the *Tobacco Traffic.* In this case the amount of wealth transferred

from one group of individuals in the community to another is about *six hundred millions.* This is a heavy tax, and one that is levied not on any particular class, but upon those individuals alone who willingly pay tribute to the tyrant.

The enormous expense attendant upon Strikes and other social disturbances, which has of late amounted to an average of ten million dollars a year in our land, is another force which draws the wages out of the pockets of individuals, leaving them impoverished while their neighbors grow rich.

A still greater amount wasted in *Useless and Expensive Amusements,* will account for the poverty of others who have received their fair share in the first distribution. And others scatter their earnings in general extravagance.

Another force operating in perfect harmony with those already mentioned is *Speculation.* In the various exchanges and stock markets of our land, *more than five hundred million dollars* change hands every year, representing loss on one side and gain on the other in each transaction. Closely akin to the work done in these centers is that of the *Lotteries* and *Gambling Dens,* which amounts to *one or two hundred millions* annually.

We say that America is growing richer at the rate of more than a billion dollars every year, and we imagine that this means a great

deal if we could only insure its equitable distribution. And so it does. But the few items above mentioned give a total of about *two billion dollars,* a sum nearly double the entire increase of wealth throughout the country. Of what avail, therefore, is the utmost care in the original distribution of this wealth, when it is to be frustrated by such overwhelming forces of disturbance after the distribution has been effected.

We may summarize the principal causes of poverty among Americans in two words—WASTE and SPECULATION.

Waste takes place in three ways: 1. The absolute destruction of wealth, as in the case of war, riots, and the like. 2. The exchange of useful for useless commodities, illustrated in the liquor and tobacco traffic. 3. The expenditure of labor which is unproductive, which is done by all manufacturers of useless and harmful commodities.

Speculation signifies any form of trade in which profits are secured by artificial means, and without making any return in the form of productive labor.

Either of these causes would appear to be sufficient of itself to account for all the poverty in America: and when both causes are present and vigorously active, poverty should not be a matter of surprise to any one. So long as these two forces continue to work unrestrained,

we may increase our national wealth ten-fold, yes, a hundred-fold, and we may readjust our social system never so carefully, and there would still be poverty, as hard and as bitter as at present. The man who has a million dollars and throws it away is just as poor as the man who had only ten cents and lost it. The lottery with a large capital has as many blanks as the smaller one, and they are just as blank.

It is neither true economy nor Christian charity to help those who can help themselves. He is the truest friend to one in need, who teaches him how he may supply his own needs. A man who is poor and suffering likes to be told that some one else is to blame for his unhappy condition; that he would be all right, if his neighbors would treat him justly, or if society were on the right basis. But the most effectual way to relieve his suffering is to show that its cause and cure lie in his own hands. This is undeniably true of the burdened thousands in our land. All the poverty that results from causes other than the two which I have named is a mere bagatelle. If the poor people of America would with one heart and voice declare war against these personal habits and practices of evil, if they would take a firm stand against every form of waste and every custom or institution that fosters useless expenditure, poverty and suffering would disappear as if by magic. Then the weakest might laugh in the

face of oppression and live in comfort despite all the intrigues of their fellow-men. If we could but proclaim a determined warfare of labor against waste and speculation, we should soon cease to hear of any strife between labor and capital.

CHAPTER II.

THE TRIBUTE TO KING ALCOHOL.

THERE are two lines of approach to every problem,—the line of theory, and the line of fact. When the facts are beyond our reach, or are difficult of interpretation, theories may be very useful as aids to a final solution of the problem in hand. The astronomer, the physicist, the biologist, often make theory the stepping-stone to valuable discovery. But when facts are abundant and plain, theories are unnecessary. More than this, they often serve to mystify that which is in itself perfectly clear. They obscure the point in question by turning the mind away from the simple facts involved.

At the present time men are approaching this problem of poverty along the line of theory. They are tickling the popular imagination with high sounding schemes of social and political reform. They are searching the heavens for causes dim and distant. And all the while facts sufficient and more than sufficient for the most complete solution of the

problem lie close at hand. The facts are plain, self-evident, commonplace. And for this very reason aspiring minds overlook them or treat them with contempt. But the facts remain, and while they remain no theory that ignores them will avail one iota in the solution of the problem.

Let us approach the problem along the line of facts; and let us begin with a great fact which obtrudes itself unbidden upon the notice of every student of poverty. Other causes there are and grievous, but this far surpasses them all. It is the giant evil, the Goliath more powerful for harm than all the rest of the Philistine host.

Three letters embody the secret of a large part of the want and destitution in our land. Three letters lock the door of comfort, of food, of happiness and of hope against millions of our people. Three letters contain the germ of misery unspeakable, of suffering, of wretchedness, of vice. Three letters suffice to tell us what has filled our alms-houses, our asylums, our prisons. And those three letters spell the word—RUM.

Other evils are limited in their sphere to certain sections or classes, or at least to the individuals most directly concerned. But the evil of intemperance is universal in its effects. Go where you will, you find traces of its working. It disturbs the peace of our fairest

towns and villages. It invades the sanctity of our purest homes. It is constantly extending its encroachments, and striving to secure a stronger hold upon our social and political life. And wherever it comes, it dries up the fountains of wealth, it devours the fruits already garnered, it levies its tax not only upon its victims but upon their neighbors as well.

Intemperance is more rapid in its working, more far-reaching in its influence, and more terrible in its effects than any other single impoverishing force in the land. The poverty that results from strong drink is poverty intensified seven-fold. It is degradation, misery, hopelessness. War has slain its thousands; but alcohol has slain its tens of thousands. Worse than this; it has bound intolerable burdens upon millions of the living. To poverty and starvation it has added shame and disease and weakness. If many have died its willing victims, many more have been born to an inheritance of disease, and physical and mental weakness for which they are in no way responsible, but whose effects are not mitigated by their innocence. Statistics of the "cost of intemperance" only represent the *beginnings* of the cost. The almost infinite succession of wastes and losses that follow in the train of this evil can never be expressed in figures; they can never be traced by investigation; they can only be seen and felt.

The people of the United States spend $900,000,000 every year for intoxicating liquors. These figures stand unchallenged, and are familiar to many readers. May they be repeated and emphasized till every intelligent person in the land shall heed them, and shall grasp something of their terrible significance. *Nine hundred million dollars!* Think what that means.

It means a yearly tax of nearly twenty dollars each for every man, woman and child in this country; which sum must be paid out of the earnings of honest industry.

It means a comfortable livelihood for at least one million families swallowed up in this awful whirlpool.

It means the food and clothing and comfortable homes of thousands upon thousands of the wives and children of working men exchanged for beggary and rags and hovels.

It means a disturbance of the equilibrium of wealth too great to be balanced by any artificial means, a cancer in our social and economic life that can be cured only by being removed.

If our national congress were to appropriate one-tenth of this sum, or even one-hundredth, for some useless expenditure, it would raise a hue and cry in every part of the land, and political orators would never tire of repeating the story. If such a tax as this were levied even for educational purposes, or for

some other object equally worthy, it would be denounced as oppression, and men would rebel against it. We should hear of indignation meetings, of caucuses; yes, fortunate if we did not hear of mobs and riots and violence. And most certainly active and efficient measures would be taken to prevent such legislation in future.

But when the stupendous facts of the drink habit and its results are published the people are indifferent and soon grow weary of hearing them. Instead of rising in hot indignation against the evil and its abettors, they vent their wrath upon those who are trying to expose and cure it, sneering at them as fanatics and cranks, or hounding them as the enemies of the poor man's pleasure and comfort. The poor man does not wish to be told that his own intemperate habits are the cause of his poverty. He would rather shut his eyes to the self-evident facts, and listen to some specious theory by which the blame could be laid on other shoulders. It is a salve to his conscience, an anesthetic to his wounded manhood; but it does not relieve his distress nor feed his starving family.

Thousands upon thousands of the ragged ones who murmur against God and their fellow-men, who talk about oppression and injustice, owe their poverty to drunkenness, and to that alone.

"'Tis true, 'tis pity; and pity 'tis, 'tis true."

The half has never been told, nor can be. Nothing could be more pertinent to the subject in hand. Until we meet and successfully cope with the facts involved in this old and commonplace story, there is little use in seeking deeper for causes or inventing new theories for cure.

Not seldom are new theories propounded and new economic systems advocated for the simple purpose of turning the public mind from this great evil, and obscuring its direct relation to the problem of poverty. Those who draw large revenues from this blood-tax, or whose livelihood is derived from the traffic in strong drink, pose as the champions of the oppressed, the friends of the poor and downtrodden. None more ready than they to talk about the injustice of any and every existing social system, if by this means they can blind the eyes of their patrons while they pick their pockets. It is for this reason that socialistic movements, strikes, riots, and other like disturbances, emanate in the great majority of cases from the saloons. Here discontent is fomented and the wildest schemes are formed.

The old fable tells how some doves invited a hawk to protect them against their enemy, the kite: and how the hawk, being admitted to the dove-cote, slew more of the confiding

birds in one day than the kite could have done in a year. The rum-seller is the hawk of modern society. Loudly declaring that the laborer ought to receive higher wages and to enjoy more of the comforts of life, he uses every art to steal away his present wages and the comforts which he already enjoys. And all the while he is sapping his power both to earn and to enjoy. He is the cause of infinitely more harm than all injustice and oppression that any man can suffer.

Discussion of land tenure, tariffs and social or political systems are all very well in their place; and they are doubtless more or less important: but none of these questions affect the financial interests of the working people so seriously as does this question of intemperance. A great deal has been said about the land rents of Ireland. The whole world has interested itself in the subject. Yet even in Ireland, according to Canon Wilberforce, the whiskey bill of the people exceeds the sum total of the land rents by more than two and a quarter millions of pounds, or nearly twelve million dollars. If this be true of Ireland, how much more is it true of America! The land question in this country is a mere bagatelle when compared with this gigantic evil of intemperance. Magnify to the utmost the evils growing out of the system of private property in land, yet will they not amount to a hun-

dredth, no, not to a thousandth part of the evils arising from the sale and the use of intoxicating drinks.

The statistics given regarding the extent of the drink habit and its enormous cost are startling to every thoughtful reader; but they are very inadequate to express the real magnitude of the evil. As well attempt to express the cost of a great explosion by the value of the dynamite used in the bomb, as to express the cost of intemperance by the value of the liquor consumed by our people. Every dollar of the nation's drink bill represents many dollars of expense that can only be hinted at, but can never be computed or expressed by figures. It represents production hampered by intoxication. It represents wages lost by idleness. It represents life destroyed and property squandered, disease and crime increased. It represents more money spent in asylums, almshouses and jails. It represents a great additional expense for government and police protection. We cannot follow out all the countless ramifications of waste and added expenditure that are incurred from this one cause; but we can give a few items which may serve to suggest the immeasurably greater facts hidden from view.

The annual police expenditure of our nation is not less than *twenty-five millions of dollars.* Almost the whole of this outlay is directly

chargeable to the effects of intemperance. In the few communities from which intoxicating liquors are entirely banished the police expense is merely nominal. The following facts are well attested:

"Vineland, New Jersey, with a population of ten thousand, and without a single saloon, has passed an entire year without one criminal arrest. Greely, Colorado, with three thousand inhabitants and without a dram-shop, has no use for a police force or for a criminal magistrate. And of Bavaria, Illinois, similarly situated, with three thousand population, it is said that it has managed to live without a drunkard, without a pauper, and without a crime." (Dr. Behrends' *Socialism and Christianity,* p. 246.)

Beyond a peradventure more than three-fourths of the worst crimes committed in this or in any other civilized land may be traced directly to their source in the liquor saloon and the drinking habit. And the line is usually very short and straight. The criminal fortifies himself for his crime in the saloon. His inspiration and his courage are but the manifestations of his partial or complete intoxication.

The cost of our asylums, alms-houses and jails is enormous. Look at our army of *seventy thousand criminals* in the prisons of our land, involving an expense of *one hundred*

and twenty-five million dollars a year, and a total loss to the country of more than *six hundred million dollars.* Look again at our *eighty-nine thousand paupers* and *thirty-five thousand tramps,* eighty per cent. of whom, with an equal proportion of the criminals, have been brought to their present condition through intemperance. Of the nearly *one hundred and seventy thousand insane persons* in our asylums, fourteen per cent. are the immediate victims of strong drink, and many more doubtless are suffering from its indirect effects. Let us also remember the fact that there are about *two hundred and ten thousand men employed in the various departments of the liquor traffic,* manufacture or sale. Adding these forces together, we have an army of *more than four hundred thousand men* withdrawn, by the influence of intemperance, from useful and productive labor to spend their time and energy in doing that which is injurious to mankind. Far better that they should be maintained in absolute idleness than that they should be engaged in such harmful activity.

To establish the relation between intemperance and poverty requires no argument. The fact obtrudes itself, as we have already said, upon every intelligent, observing mind. Wherever we look we see the cause and effect so close together that we cannot mistake their con-

nection. Drunkenness and poverty ever go hand in hand. Were every other cause of poverty removed, we should still find many cases of want and suffering so long as intemperance is not banished from the land.

What need of long arguments and profound treatises to account for poverty in the midst of plenty, when we have in this one monster evil facts sufficient to solve the entire problem? Intemperance is *the great curse* of our land and time. It is the heaviest burden under which our industrial civilization staggers. The dram-shop is the recruiting station of pauperism, the poisonous fountain of lawlessness and crime. As we study the workings of intemperance and the methods and devotion of its minions, the only wonder is that so many escape its grasp. Were it not for the strongly buoyant forces of nature, the forces that make for health, for wealth and for righteousness, the very life of this people would soon be overwhelmed by this wide spreading torrent.

The waste resulting from intemperance affects every class of society. King Alcohol is no respecter of persons or of social lines. He seizes his victims wherever he can find them. He lays his blighting hand upon the rich and the cultured, and does not even respect the sanctity of refined and polished womanhood. He drags a millionaire railroad presi-

dent down to the gutter, strips him of his riches and sends him to the lock-up in rags. He draws into his toils a beautiful queen of society, and makes her a cause of deepest shame and sadness to all her friends. He seduces the young man who has just become heir to thousands, and in a few months all his money is gone, and he is an outcast from decent society.

But none suffer so generally nor so deeply as do the working men and their families. Strong drink not only steals away the laborer's money, but it steals away his brains, his skill, his strength. It hinders his work; it robs him of his wages. Grand Master Powderly of the Knights of Labor, in a speech delivered at Lynn, Mass., said that in one county in Pennsylvania, during a single year, working men had passed *eleven million dollars* of their money over whiskey bars. Does any one doubt that there was poverty among those working men? It requires no stretch of the imagination to picture the squalor and the want in their families. We can see their wives and children hungry, clad in rags, driven to desperation and sin by cruelty and shame. And who was to blame for these things? If you were to ask the men who thus wasted their earnings, many of them would complain of oppressive employers, injustice, dishonesty, pitifully low wages, and the like. Men who

squander their money for drink are always ready to complain of these things, and to attribute their misery to the wrong-doing of others. It is unnecessary to deny their assertions. They may have been oppressed by their employers. They may have been defrauded of their just dues. But we are perfectly safe in saying that the most skilfully dishonest employers could not have kept back from them a tithe of the immense sum thus wasted without raising a storm of indignation that would have turned the whole county upside down.

Intemperance takes the wages of a countless host of productive laborers in every part of the land and transfers them to a class of idlers and unproductive laborers who live in luxury and command every comfort and pleasure. The poor man often looks with envy upon the elegant home or the fine carriage or the beautiful grounds of the wealthy merchant or banker, and says,—"I have as good a right to those as he has." But for the luxuries and elegant surroundings of the brewer, the distiller and the rum-seller, which have been purchased with the money that should have clothed his own wife and children and built for himself a comfortable house, he has no thought of envy. These men he accounts his friends and takes pride in the display which they make at his expense.

Every working man should look upon all

who have any part in the liquor traffic as his worst enemies. Instead of welcoming them as his allies in the warfare against fancied oppression, he should brand them as the pests of society. If intoxicating liquors were banished from our land, and the saloon keeper ceased to exert an influence over a large part of our industrial army, we should hear much less than we do about the struggle between labor and capital: for strong drink is a prolific source of strife, and has done much to complicate existing difficulties.

The banner of the "Brewers' Association," recently seen in a "Labor procession," boded no good to the cause which the procession represented. It was as much out of place as would be a Confederate flag at the head of a United States regiment. So long as honest and respectable labor extends the hand of welcome and fellowship to those engaged in any department of the liquor traffic there is little reason to hope for better times. On the other hand, all may well rejoice at the expressions of sympathy that have passed between the Knights of Labor and the Woman's Christian Temperance Union. That were an alliance both encouraging and helpful. It bespeaks an intelligent understanding of at least one serious factor in the social problem of the day, and promises a direct and successful war-

fare against it. No organization in the world, excepting only the Christian Church, the mother of all worthy organizations, has done so much for laboring men as the Woman's Christian Temperance Union; and in its work we see one of the grandest forces for the reduction of poverty.

We may almost say that the problem of intemperance and the problem of poverty are one. So closely are they intertwined one with the other that they will be solved together. Intemperance flourishes because of its hold upon the working men. They are the defenders and upholders of the liquor traffic. From them it draws its immense revenue. From them it derives its chief power and hope. To them it looks for continued approval and encouragement. Until they withdraw their support, it cannot be driven from our land. But let our great army of laborers once see this gigantic evil in its true light, let them declare war against it in a body, and its overthrow would be quickly accomplished.

On the other hand, so long as intemperance continues, and so long as its advocates and abettors are accounted the friends of labor, we may not hope to solve the problem of poverty. For the continuation of intemperance means the continuation of poverty, of dissatisfaction, of unrest, and of strife. A fitting

motto to place over the door of every saloon and brewery and distillery in the world would be this,—

The Poor Ye Have Always With You.

CHAPTER III.

THE CONTINUAL BURNT OFFERING.

The annual tobacco bill of the American people, estimated in round numbers, is six hundred million dollars.

A very large slice this of our nation's wealth to consume every year in smoke. Think what it means—a tax of twelve dollars a head upon the entire population, women and children as well as men. A sum equal to the value of all the bread-stuffs manufactured in the country, or to the combined value of the meat and woolen goods produced, and six times as great as the annual expenditure for public schools.

The entire expense of carrying on our national government is only two hundred and fifty million dollars a year. The users of tobacco spend, therefore, between two and three times as much in the indulgence of a useless and hurtful habit as the whole nation spends for government. And we fail to appreciate the full force of this comparison unless we emphasize the fact that the expense of government is distributed as fairly as possible

among all the taxpayers of the land, while the tobacco bill is borne by a fraction of the people. A census of tobacco users, could it be taken, would show that the tax per capita, instead of being twelve dollars, is probably more than twelve times twelve dollars.

This burdensome and impoverishing tribute is paid willingly in many cases by the very men who are most penurious in their expenditures for things necessary and beneficial. It knows no law of proportion, but often falls most heavily upon those whose wages are wholly inadequate to their needs. And the cloud of tobacco-smoke continually polluting the air of our streets and many of our homes represents the want of necessaries and comforts and privileges of a higher order for the majority of smokers and their families.

Reformers and economists are on the alert as never before to discover and expose all waste in municipal or national administration, all inequality or injustice in the social organism, all class oppression or public dishonesty; but personal wastes, such as the tobacco habit, receive scant attention from scientific minds. They are left for the most part to the mercy of hobby riders and petty enthusiasts. He will be a true benefactor to his fellows who shall raise the subject of Personal Economy to the plane of a science that may prove as attractive as Political Economy or Social

Economy. For, while it is praiseworthy to strive for a more equitable condition of things in politics and society and in business, the cure of personal wastes is more immediately and permanently profitable. The Monetary Conference, or any imaginable tariff bill, or Mr. Bellamy's scheme of nationalization, will have far less influence upon the question of poverty than this single habit, the use of tobacco.

A certain class of small-minded economists and demagogues may often be heard inveighing against the great waste of money through the churches. They talk of the immense sums expended in religious work at home and sent away to foreign missions, which they declare is needed for physical comforts, and ought to be given to the suffering and starving poor. They hear the report of some missionary society or they listen to the appeal of some church for contributions, and they exclaim with Judas of old,—"To what purpose is this waste?" And yet the total amount expended for religious purposes, both at home and abroad, by all the churches of our land is less than *fifteen millions of dollars.* What is this in comparison with the six hundred millions spent for tobacco?

The immediate outlay of money much more nearly represents the actual waste in the case of tobacco than it does in the case of strong

drink. Tobacco is not such a violent disturber of public peace and industrial prosperity as is alcohol. It does not drag in its train such a host of attendant evils. It does not so quickly nor so seriously impair the powers of the individual laborer. However subtle and far-reaching may be its indirect influence, we cannot attribute directly to this source any great share of the criminal and pauper expenses, although it is a rare thing to find either a male criminal or a male pauper who is not addicted to the inveterate use of tobacco. And in our penal institutions this fact is recognized by including tobacco in the regular rations of each criminal. To make our bill against this evil complete, however, we must add a few items to the original sum which are not altogether insignificant.

Nearly seven hundred and twenty-five thousand acres of valuable land are taken from the production of useful crops and devoted to the culture of tobacco, one of the most exhausting of all crops.

More than eighty-five thousand men and women are employed in the culture and manufacture of tobacco, whose energies might be devoted to useful production.

Let these seven hundred and twenty-five thousand acres of land be devoted to the raising of wheat or other necessary products, and let the toil of the eighty-five thousand workers

be directed to useful ends, and these alone would provide abundant food for all the starving ones in the land, and no one would be the poorer. We cannot afford to maintain so great an army of non-producers.

Very many persons fail to appreciate the economic argument against the liquor and tobacco traffic, because the money expended for either of these habits remains in the country. They reason that so long as the money is expended within our borders, there can be no serious loss, but rather a certain gain from increased trade and quickened circulation. This is the position of those who oppose the prohibition of the liquor traffic in their own community on the ground that it will carry trade and money to neighboring communities where liquor is sold. If poverty were a national or community matter, the argument might have some weight. But since our nation and our communities are not poor, since poverty is solely an individual matter, such reasoning shoots wide of the mark.

There is a common notion that exchange means trade and trade means wealth. But trade is not wealth, neither does it produce wealth. On the contrary any trade that is not absolutely necessary is a consumer of wealth. The most rapid circulation and thriving commerce that is anything else than a mere channel for the quickest exchange

of necessary productions makes men poorer not richer. In any case, trade does not add one penny to the original amount of wealth; and at its very best commerce is only a means of lessening wastes that would be very great without it.

To this school of economists that believes in the wealth producing powers of trade belonged a certain man and his good wife. As they were both fond of an occasional glass, they purchased, one day, a large keg of beer with which to gratify their appetite. The wife, however, being of a thrifty turn, desired to make good the cost of the beer; so she suggested that for every drink taken by either a dime should be paid to the other, and thus they would have money enough to purchase another keg when the first was exhausted. Perhaps they might even have something over. The husband readily assented, for like John Gilpin,—

> " O'erjoyed was he to find,
> That though on pleasure she was bent,
> She had a frugal mind."

But one dime remained after paying for the original purchase, and that was in possession of the husband. Realizing the economy and possible profitableness of the plan, he soon drank a mug of the beer, and gave the dime to his wife. She, in turn, took a draught, re-

turning the coin to her husband. This process was repeated with greater or less frequency till the keg was empty, and the shrewd couple were amazed to find themselves in possession of but a single dime, whereas they had expected to recover the full cost of the keg with a reasonable retailer's profit. There had been continuous and brisk circulation. Trade had been good in this limited circle. But the dime was only a dime after all. It had not increased in size or value, but was rather somewhat worn by much handling. As for the empty keg, that was an object lesson in the total consumption of wealth.

"This fable teaches," as Æsop would say, precisely what is the outcome of the great traffic in tobacco and intoxicating liquors that is going on all over our land. Short-sighted economists, under the tutelage of those most interested in the traffic, declare it to be a source of wealth to the country and a blessing to the struggling masses of the people. Men look with pleasure upon the brisk trade, and fancy that it indicates good times and comfort for the poor. Influential citizens and men who exert a controlling influence in matters of government are misled by the specious argument. They hesitate to discourage these lines of trade, either by law or public opinion, lest they should injure the prosperity of our commerce and block the wheels of trade. And

this, they imagine, would be a serious injury to the poor. At least, they know that many would so consider it, and they dare not champion the truth in the face of popular opinion.

In point of fact it were far better for the poor if these forms of trade were done away. By them the people are being daily impoverished. The earnings of productive labor are being exchanged for that which not only fails to satisfy human need, but which also brings after it a host of positive evils. The money that should procure food and clothing and homes and the highest forms of comfort for working men and their families, and which should make them rich, goes into the pockets of the non-producing tobacco dealer and rum-seller.

Wealth is created by *production* not by trade. Poverty will be relieved, not by stimulating trade, but by stimulating useful production, and by restricting trade to the necessary exchange of such production.

Doubtless many will be ready to question this parallelism between the liquor traffic and the tobacco trade. They will say that it is not just to wed nicotine and alcohol, or to classify the smoker with the drunkard. Yet it is not difficult to show that these two habits, with their corresponding lines of traffic, belong together in an economic sense if not morally. And in these pages we are discussing every

question primarily from an economic standpoint.

That the tobacco habit is a great waste, and only waste, no one can deny. Tobacco cannot be classed with other luxuries: for its use and effects are wholly distinct. Indulgence in luxuries, properly so called, is regulated to a great degree by the wealth of the individual. While many of the poor are doubtless extravagant in the matter of luxuries, and frequently purchase things which they cannot afford, still it would be difficult, or rather impossible, to mention any other single gratification to obtain which any appreciable number of persons habitually deprive themselves and their families of the necessaries of life. Even among the less thrifty and intelligent classes, luxuries in general are made secondary to necessities and comforts. But the tobacco habit knows no such law. Like the appetite for strong drink, it speedily gains a certain control over those who indulge it, and sets at naught all considerations of economy and true wisdom. Once it is admitted into the life tobacco becomes a daily requirement, even when it must be purchased at the expense of food and clothing and the other most common necessaries of life.

Among the very poorest classes in our land the tobacco habit is well-nigh universal. Go into the poorer quarters of our cities and you

will see women and children pinched with hunger and wanting not only the comforts but also the merest decencies of home, while the husband and father spends his money for tobacco and strong drink. A male pauper who does not use tobacco would be a *rara avis* indeed. The burly tramp, begging for food or for a little money to pay railroad fares, while a dirty pipe sticks in his mouth or his cheeks are puffed out with a quid of tobacco, is an every-day sight. A tramp will go without decent clothes; he may even go without food at times: but he never goes without tobacco.

What claim has the tobacco user upon the benevolence of his fellow-men? Why should any man give food to a creature with his mouth full of tobacco? Is it to be expected that those who exercise the most rigid economy and deprive themselves of many a luxury in order that they may secure for themselves and their families pleasant homes and a fair competence will be eager to share the results of their thrift and care with those who but for their daily wastes would enjoy them also?

Many a man has spent a comfortable living upon this wasteful habit of smoking. The reason men fail to realize the serious extent of the waste is because it is made up of small amounts. And this is the essential difference between thrift and thriftlessness, that the

thrifty man respects little things while the thriftless man does not. When Samuel Budgett had become famous as the Merchant Prince of London, he said to a clerk who had a habit of wasting odd moments,—"If you waste five minutes, that is not much; but probably if you waste five minutes yourself, you lead some one else to waste five minutes, and that makes ten. If a third follow your example, that makes a quarter of an hour. Now there are about one hundred and eighty men employed in my establishment, and if every one wasted five minutes a day, what would it come to? It would be fifteen hours, and fifteen hours a day would be ninety hours, which is about eight days' working time in a week, and in a year would be four hundred days. Do you think we could ever stand a waste like that?"

Of course there are hundreds and thousands of men who are in a sense quite able to afford the luxury of tobacco. They can indulge their unnatural appetite to the full without depriving themselves or those dependent upon them of any needed comfort. They can throw away a part of their income without feeling it. But these are the few. The great majority of men have no money to spare. Every dollar that the average laborer spends for tobacco means a dollar less for wholesome food

and comfortable clothing, for books, for home adornment, for education, for travel.

Granting that the evil is not as great as that resulting from the intemperate use of strong drink; still it is a serious evil. The fact is self-evident that many cases of poverty would be instantly relieved if the poor would give over the use of tobacco. But how induce them to do this? The most lucid instruction upon the subject will avail nothing. Men can never be educated out of bad habits. The only effective force that can be brought to bear is the power of example.

Popular habits depend for their extent and permanence upon the patronage of the wealthy and respectable. Let those who can afford this luxury discard the use of tobacco, and the poor would soon cast it aside. But so long as the wealthy and comfortable use tobacco, the poor will use it too. In every reformatory crusade an ounce of example is worth many pounds of instruction and advice. To increase the wages of a man made poor by indulgence in a wasteful habit affords only partial and temporary relief. Much better is it by example and precept to induce him to cease from the habit which is the cause of his want. By so doing his poverty is permanently relieved, the evil is cured, and money is saved for better uses.

In a broader sense the tobacco habit is in-

jurious to all, to the rich as well as to the poor, and no one can really afford the indulgence. Not to speak of the poisonous effects upon the system of every individual who indulges the habit regularly, we must not forget the indirect effects of any evil that finds an entrance into the great brotherhood of mankind. For the fact of human brotherhood becomes more emphatic and more vital with every advancing step of our civilization. In these days it is true in a sense more important than ever before that "no man liveth to himself." A habit that injures a large number of individuals injures the entire community. If my neighbor suffers in consequence of his wastefulness, I suffer with him. The intelligent people of America, yes, of the world, have long felt the force of this principle in its bearing upon the question of strong drink. Why should we not recognize its bearing upon all similar questions, even when they happen to be less startling in the degree of evil which they cause? This habit which the civilized world received as a legacy from the untutored savage should be branded as unworthy the Christian enlightenment of the dawning twentieth century.

The ancient Hebrews and some of the heathen nations kept a perpetual fire burning on the altar of their temples in which were consumed the flesh of animals, the offerings of the people to their divinity. From numberless

human temples in our land, more sacred far than any pile of stone adorned with gold, there arises a continual cloud of smoke. Not animals are the offerings laid on the altar; but homes, books, travel, comforts, luxuries, education, even necessary food and clothing. And these are offered, year after year, to the god of appetite. And the cost of this offering, levied largely upon the wages of the poor, is *six hundred million dollars a year.*

CHAPTER IV.

EXPENSIVE AMUSEMENTS.

The amount of capital invested in theaters and opera houses in New York and Boston is about *ten million dollars.* So says the Census Report. The amount thus invested throughout the entire country is not less than *one hundred and fifty millions.*

An immense sum this to be permanently locked up in places of amusement. An immense sum to be withdrawn from productive investment. To pay for so large an outlay and to cover the necessary expenses incurred in connection with every entertainment, the receipts at these places must be enormous. And so they are, as the following facts will show.

The gross receipts at one of the Boston theaters durng the twelve weeks' course of a single play averaged more than ten thousand dollars a week. The annual receipts at the same theater are considerably more than a quarter of a million dollars. The sum expended by the American people on the single amusement of theater-going is not less than twenty-five millions of dollars a year.

That veteran amuser of the public, Mr. P. T. Barnum, furnishes the following facts in his autobiography. For exhibiting Tom Thumb one year in America he received one hundred and fifty thousand dollars. When he brought Jenny Lind to this country his gross receipts for six months were something more than seven hundred and twelve thousand dollars. The total number of tickets sold to his various exhibitions, exclusive of his lectures and a few special entertainments, aggregated almost eighty-two and a half millions, during forty years of his career as a showman. At a very moderate estimate, his gross receipts amounted to an average of more than a million dollars a year.

Now-a-days every city and considerable town has its baseball nine, with players retained at good salaries. Thousands of dollars are taken at each League game as gate money, and many more thousands are lost in gambling. The total amount taken at the grounds of the Boston baseball club is estimated at one hundred and sixty thousand dollars in a single season. And at three of the pool rooms in the city, where much of the gambling on these games is done, over a million dollars changed hands in one year.

A thriving business is carried on in these pool rooms and in the billiard halls which abound on every hand. In them many of our

young men spend their evenings in play. They are usually found in connection with a liquor saloon, and here the proprietor takes from his patrons the money that he failed to win over the bar. No figures are adequate to set forth the amount thus wasted; but many a young man knows from bitter experience the impoverishing result of these evenings in the pool room.

The roller-skating mania, which swept over the country a few years ago, absorbed millions of dollars which cannot be accurately estimated. The fashion quickly passed away, but various other forms of amusement now accomplish the same end.

Most of these forms of amusement are found only in the larger towns and cities; but even our country districts have their share in contributing to similar wastes. Every summer, traveling shows of various kinds visit all the large villages, and carry away from each a few thousand dollars, the hard-earned savings of the farmers and tradesmen.

The greater part of the money thus expended for mere amusement comes from the pockets of the poor people of the land. But you will doubtless say, Do not the poor need amusement as well as the rich? Yes, is not the need even greater in their case, since they have so few home comforts and enjoyments, while their lives are filled with arduous toil?

Surely we ought to encourage them and help them to get all the pleasure they can in life, instead of frowning upon them. True; and if the poor would be as moderate and as wise in seeking amusement as the majority of their more wealthy neighbors, they would not be so poor. It is a well-known fact that the poor spend a great deal more proportionately for amusements than the rich. And it is this habit of spending that makes them poor. Go to any of our popular playhouses, or to a ball game, or to a fair, or to a horse race, and whom will you find there? Many a rich spendthrift, it is true. Not a few wealthy pleasure seekers. But mingling with these, and vieing with them in the expenditure of money, are crowds of men and women who scarcely know where their next meal is to come from; scores of persons who have spent a large portion of their week's wages for one day's sight-seeing or one evening's entertainment; young men who cannot pay their debts with the small salaries they earn; girls who must sacrifice health and delay the purchase of needed clothing that they may have their amusement; families that know nothing of real home comfort because the money which would purchase permanent satisfaction is frittered away on the useless and unsatisfying pleasures of an hour. These and such as these make up the greater part of every concourse at the

popular pleasure resorts; and it is from the contributions of poverty that the managers derive their income.

Among the wealthy of our land are a goodly number who have gotten their wealth by amusing their fellow-men. The salary of a theatrical star varies from five hundred to fifteen hundred dollars a night. The various classes of persons employed in furnishing public amusement number more than twenty thousand. And they are very properly included in the class of *unproductive* laborers. Not only do they, with few exceptions, add nothing to the wealth of society; but they are in many ways a drain upon its resources and an injury to the community. The life of a professional player of any kind, whether stage actor, base-ball player, or buffoon, is demoralizing to the individual character and harmful in its influence on the community. This is true from both an economic and a moral point of view. If we demand that every person shall make some adequate return to society for the wages paid him, certainly the great majority of these amusers of the public can find no worthy place in Christian society.

The loose morals of the theater are proverbial. Even the vocation of a professional singer is demoralizing to many, although that is certainly one of the highest forms of amusement, and scarcely to be called an amusement.

And as we descend the scale, and come to the lower classes of amusement, we find an even lower state of morals. What self-respecting man could devote his life and energy to the useless profession of ball-playing? Or who expects to find good examples of morality and noble manhood among professional horse jockeys? The useless professions are demoralizing to those who engage in them; and they are in their turn demoralizing in their influence upon those who associate with and admire them.

Yet we would not decry all amusement. Very far from it. Rational amusement or recreation is essential to strong, vigorous and healthy life. It restores the weary body and the exhausted mind, and gives new power for useful service. The life which admits no recreation becomes monotonous and lags in its work. "All work and no play makes Jack a dull boy," is a proverb that applies to boys of the maturest years. He works best who plays best when he plays, who can at proper times throw off work and care and anxiety and give himself heartily to simple amusement. He who never plays grows old before his time, and breaks down before his life work is half completed.

On the other hand, the life that is too much given up to amusement becomes idle and effeminate. Some one has well said that "Amusements should fill the chinks of life, but nothing

more." Yet how many lives make amusement their chief end. To have a good time is the object of principal thought and care. Work and duty are mere secondary considerations. How many are more wearied by their amusements than by any work they ever do. It is a well known and universally attested fact that laboring people who make the Sabbath a day of amusement and pleasure instead of devoting it to sacred rest, come to their work on Monday morning in a worse condition both physically and mentally than upon any other morning during the week. And this is true not only of those who spend the day in drinking and carousal, but also of those who make it a day of pleasure trips, picnics and the like. The Sunday excursions and concerts and entertainments that are advertised as a great blessing to working people, are for the most part an injury to those whom they attract, draining their pockets of their small earnings, and at the same time depriving them of much needed rest and quiet.

An excessive love of popular amusements has heralded the downfall of many a nation. Witness the theaters and games and gladiatorial contests of ancient Rome, and the bull-fights and similar amusements of modern Spain. It was a shrewd saying, whoever said it, that "the man who first brought ruin on the Roman people was he who pampered them by largesses

and amusements." Amusements, when too freely indulged, drain the public as well as the private purse; they weaken national character; they turn the mind of the people away from useful subjects and make life unreal and meaningless.

Doubtless the old puritans and pilgrims erred in the opposite direction, excluding recreation and amusement too rigidly from their life and making it too solemn and colorless. Yet they developed a moral strength and a depth of character that are leavening our entire nation to this day. Better, far better, the excessive seriousness of the Pilgrim Fathers that could not brook the least degree of levity, than the shallow and frivolous nature that is perpetually seeking for amusement and that has no resources of enjoyment within itself.

The love of much amusement betokens in the individual a thriftless nature, and an unworthy indifference to the grand purposes and possibilities of human life. It indicates a false ideal of manhood, an ideal of selfish enjoyment rather than of active and useful accomplishment.

It is not unreasonable then to include amusements among the appreciable causes of poverty in our land. They divert not a little money from useful purposes. They cause a waste of much time and effort that else might be profitably spent. They require many persons

to withdraw their skill and energy from productive labor and to devote their lives to labor that is unproductive. This waste is closely allied to those of strong drink and tobacco. It makes a serious addition to the expenses of many a hard-working young man and woman. It empties the purse of many a young couple just starting out in life with small capital.

While the "Anti-Poverty Society" is busy searching for a Grand, Automatic, Instantaneous and Universal Poverty Eradicator, many a sufferer might be relieved by the use of more common-place remedies. In ninety-nine cases out of every hundred poverty is the result of negligence in trifling matters rather than any great wrong or injustice. The little foxes spoil the vines. The little leaks drain the purse. Even such trifling sums as are spent on amusement steal away the margin of many small incomes. If we could but stop these small leaks, no great cure for poverty would be needed.

CHAPTER V.

THE AMERICAN WEAKNESS.

We are looking for the Social Millennium. It has not come yet; but many self-inspired prophets are telling us what it will be like when it does come. Mr. Bellamy has drawn a picture of this glorious epoch when society shall be one grand eight-day clock, and when poverty shall be no more. The theories propounded in his book, *Looking Backward* have found a ready acceptance in many minds. And what is his specific for the cure of poverty? Simply the allotment of an equal annual income to each individual. The idea is plausible and widely accepted. But every truly intelligent student of social questions knows that it is delusive. We are confronted every day with facts which prove that even if there were an absolutely equal distribution of wealth at the beginning of each year many would be in abject poverty before the year was half gone.

Poverty or wealth is not determined by income alone. Expenditure is a factor at least equally significant. He who earns ten dollars a week, and by the expenditure of eight dol-

lars secures for himself and those dependent upon him all needful comforts, is rich. To earn ten dollars and obtain what is necessary by the expenditure of the same is present competence. To earn ten dollars and spend eleven, or to earn ten dollars and with that sum fail to obtain things necessary, is poverty. Wealth and poverty therefore depend less upon the absolute amount of one's income than upon the use made of it. They grow out of the proportion (or *dis*proportion) between income and expenditure. In the last analysis they have nothing at all to do with money, but rather with the supply of human needs.

The miser who starves himself and pinches his family in order that he may increase his hoard of gold is poor although he may count his glittering coins by the millions. Poverty implies a want of the necessaries and comforts of life, or a lack of power to obtain them. It matters not how this want is brought about. It signifies nothing that one enjoys numberless luxuries or is abundantly supplied with the commonly accepted symbols of wealth; these are in themselves without meaning. If the necessary things such as good food and clothing cannot be procured, there is poverty.

This fact is often ignored. Families live in continual poverty, or what is worse, in a state of chronic and incurable debt, because they displace necessaries with luxuries, and expend

their earnings upon things they could well enough do without until they have little or nothing left for the purchase of those things which health and life and decency absolutely require.

In one of our New England towns a family was found in deepest want, without food or clothing or fire. The town officers at once gave them money enough for a week's supply of food and fuel, and procured for them needed clothing. Instead of living for a week upon the means thus obtained, the family expended the entire sum of money in food and candy and fruit, inviting their cronies to a grand feast; and in twenty-four hours were as destitute as before. A benevolent woman gave to another suffering family money sufficient to relieve their distress for several weeks. What was her surprise and disgust, on visiting them a couple of days later, at being presented with a fine photograph of each member of the grateful family; the most of her money having gone for these instead of being expended for food.

This sacrifice of the necessary for the unnecessary, of comfort for luxury, of permanent good for temporary enjoyment or trifling gratification, is a wide-spread evil. Among the pauper class it is almost universal. But it is by no means confined to them, or even to those who are called poor. It is always an evil, although in some cases the amounts involved

may seem insignificant, and in others the individuals may be considered abundantly able to afford such indulgence. In point of fact no individual, however wealthy, can afford it. The community cannot afford it.

Extravagance is a peculiarly American weakness. It is the besetting sin of our people in every class and condition. It reveals itself in a variety of forms. Among the most common is a reckless prodigality in the use of money. In the early days of California, when adventurers were deriving immense fortunes in a few months from her newly discovered gold fields, the rich metal was so abundant that men did not want anything less valuable, and the small silver and copper coins used in the other states were tossed contemptuously aside by the traders on the Gold Coast.

The same spirit appears in more or less modified forms in all parts of our land. The real value and cumulative power of small sums is not recognized and they are allowed to go to waste or are frittered away carelessly. That this is characteristic of our nation has passed into a proverb. Among travelers on the continent of Europe, Americans are noted for their free-handedness in money matters; and foreigners do not fail to profit by it. First-class railway carriages are patronized by kings and Americans, say the thrifty people of the Old World.

This prodigality is not confined to the rich. It is characteristic of every class. In fact we might say that it is found most often among the poor. With us rank is in a great measure determined by external appearances. It is therefore the natural ambition of every man and woman to live as well and to dress as well as others in the same community. "We must keep up appearances," is the motto of the multitude. Instead of regulating expenditure by income, the outlay is not infrequently looked upon as an investment made to secure a higher position in society and a larger income. For this reason the expenses are permitted to run in advance of the earnings, in the hope that the latter will speedily overtake the former. In the great majority of such cases the investment proves a failure; and when the meshes of indebtedness are drawn close poverty is the inevitable result. Such people have only themselves to blame, however. Their poverty is the direct and most natural result of their false and dishonest mode of living. The money which they have recklessly expended in needless externals, wisely husbanded, would have kept them from want.

If the evils resulting from extravagance were confined in their effects to the extravagant themselves we might well keep silence and let the disease work its own cure; but unfortunately this is not the case. The prudent always

suffer more or less with the imprudent; the thrifty with the unthrifty. Persons and families go on year after year living beyond their means and rolling up a mountain of debt. When at length their credit is exhausted and the crash comes, as come it must, all to whom they are indebted suffer through their inability to pay their debts. How many families we may find in every community living in luxury and elegance, always dressing in the height of fashion and decking their tables with the earliest delicacies of the season, yet never paying a debt until driven to it by law. In this way they manage to equal their more wealthy neighbors in appearance, while their creditors, poor washer-women, domestics, small traders, and the like, pay the bills.

Economy is not a popular virtue. The words, "I cannot afford it," are the *bete noir* of Americans, and many prefer dishonest indulgence to a frank acknowledgment of financial limitation. Economy is branded as "meanness," and free-handed prodigality, even when exercised at the expense of honesty, masquerades as generosity or benevolence.

Extravagance does not, however, necessarily signify living beyond one's means, in the common acceptation of that phrase. Every *useless* expenditure, even by the most wealthy, is extravagance, and tends to the increase of poverty just as surely as does every expenditure

that is not based on the ability to pay. Our country will become more prosperous, wealth will be more equally distributed, and poverty will be less frequent and less severe, just in proportion as men of *every* class and of all degrees of wealth become more truly and wisely economical in their manner of living the opposite results inevitably follow the lavish and careless expenditure of money on the part of any class.

By not a few modern agitators and pseudo-reformers the free and unrequited expenditure of wealth is extolled as a virtue, or at the very least as a real blessing to the world. Again and again it is said of some reckless spendthrift, "If his wealth does no good to himself, it is certainly a great benefit to his neighbors." That which is obvious waste on the part of the individual is supposed to be a real source of wealth to his friends and the community at large. A young man spends his money freely for wine, cigars, fast horses, amusements, and other things of like character, or a lady buys many and costly dresses far beyond her need, expensive jewelry, elegant ornaments, and the thoughtless multitude rejoices in the notion that this extravagance makes trade for the merchant and furnishes renumerative employment for a great number of needy workers.

A similar notion has led to the suggestion that in times of financial distress the government ought to create sinecure offices and employ

men to perform unnecessary labor at good wages as a means of employing idle hands and relieving poverty.

Born of the same parentage is the popular doctrine of radical socialists and anarchists that the poor could be made comfortable and that poverty could be eliminated by confiscating the wealth of the Vanderbilts and the Goulds and the Rothschilds and distributing it gratuitously among the poor.

Short-sighted economy. No, rather, ridiculous extravagance! All such ideas are diametrically opposed to the first principles of economy. Wealth and comfort can never come from waste under any circumstances. The wealthy prodigal does not really benefit any one by his needless expenditure. On the contrary he is a source of unmitigated evil. By his example he leads many poorer men to involve themselves in debts far beyond their means of payment. If he supplies work to a few needy laborers it is unproductive work which is demoralizing to society and ultimately impoverishing to the very classes it is supposed to benefit. Being idle himself, he adds nothing to the aggregate wealth of the world, and every person employed by him in busy uselessness is hindered from adding to that wealth.

The same is true of sinecure offices and useless labor performed for government at good salaries. It means simply the circulation of

money without any increase of those things which satisfy human need. Now every individual in the land may possess millions of money, but if there be a scarcity of food and clothing, if the easily acquired riches lead to a cessation of productive labor, there would be poverty and starvation as never before, even among those who had plenty of money in their pockets.

And if we were to distribute the millions of the very wealthy among their starving brethren, what would be the result? A few hungry mouths might be filled for a day; but soon would come a state of affairs worse than has ever yet been known. It is a scheme for relieving poverty which blindly ignores the causes and nature of poverty. As well attempt to cure a man of raging fever by rolling him naked in a snow-bank. Just as surely as such treatment would only aggravate the causes of the fever and render it more surely and more speedily fatal, so any artificial distribution of wealth would aggravate the real causes of poverty and render them more fruitful of misery and suffering. Such methods would bring about a fatal stagnation of productive activity, they would immeasurably increase every form of extravagance, and stimulate speculation to a ruinous degree.

As intelligent people we should repudiate all such ideas the moment they are uttered. They

are unphilosophical, impracticable, and, above all, unmanly. The free distribution of unearned money, however the process might be disguised, would bring about a speedy reaction. It would involve the exchange of something for nothing, the expenditure of labor without a corresponding increase of production, the payment of wages for which nothing is received in return.

Not the mere scattering of money makes men rich; but the actual increase and general distribution of the comforts and necessaries of life. Every hour of unproductive labor is so much total loss both to the individual and to the community. Hence only such expenditure as tends to increase the amount of production is really a blessing to mankind and a relief to poverty. He is not a public benefactor who scatters gold and silver broadcast without demanding any adequate return. He is the true benefactor who, possessing wealth, spends it carefully and requires useful production in return for every dollar. By so doing he increases the general store of wealth, while at the same time he furnishes employment to laborers, and thus preserves the natural and stable equilibrium of society.

The fortunes which have been amassed with least injury to the poor are the ripened fruit of economy and industry. Such fortunes make other fortunes as they grow. Their possessors

grow rich and in so doing enrich all who come in contact with them. On the other hand, the idle spendthrift impoverishes all about him, and his useless, reckless life is a curse alike to rich and poor.

Probably there is no other country in the world where poverty is so frequently the result of extravagance as in America. The abundant resources of our land beget in us as a people the love of liberality, and a contempt for all limitations and economies. Our country is so large that we want everything on a large scale to correspond with it. We despise the day of small things. The very bountifulness of nature leads us to abuse that bounty. We think that the great store-houses are practically inexhaustible; and when there comes a hint of limitation at some point, we are greaty surprised. This is not, however, the sober, final judgment of intelligent Americans. It is the impulsive outburst of startled thoughtlessness. When we stop to think, we know that anything short of the infinite may be exhausted, and that careless waste cannot produce or preserve wealth.

Demagogues may sound the praise of extravagance, calling it liberality or benevolence, and for the moment they may carry with them the tide of popular feeling; but it can be only for the moment. Popular intelligence quickly unmasks the sham, and the truth is revealed clear as the noon-day. Not extravagance but

economy on the part of all is the sure and effective antidote for poverty. The Social Millennium is coming; but not immediately. And when it does come its watchword will be ECONOMY.

CHAPTER VI.

THE PENALTY OF IGNORANCE.

Nearly five millions of people over ten years of age who cannot read, and six millions who cannot write. This in enlightened America, according to official statistics. Most of these are to be found among the poorer classes of our population as a matter of course. Many of them are paupers. What else could we reasonably expect? The parents who allow their child to neglect his school privileges on any pretence whatsoever are doing their utmost to fit him for a position in the poor-house.

An investigation which was made a few years ago in the alms-houses of New York revealed the fact that narly one-third of the occupants could neither read nor write, and only thirty per cent. had received a fair common-school education. And the New York alms-houses are not peculiar in this respect. Any one who is at all familiar with the facts knows that the same figures would fairly represent the proportions among the paupers of any state in the Union.

These statistics indicate very clearly the nat-

ural connection between ignorance, in the sense of illiteracy, and poverty. The two go hand in hand. The sequence of cause and effect is too clear to admit of doubt. Says Dr. Behrends, a most careful and scholarly writer on social questions, "Illiteracy, intemperance, overcrowding, and the looseness of the marriage tie,—these are the four social causes of pauperism; personal vices in their inception, but grown to their present alarming proportions by public indifference and complicity; and society must throttle them, or perish under their growing fangs."

This phase of the subject requires neither argument nor elaboration in these pages. It has been fully treated by others. Authoritative statistics have been gathered and published to the world. The facts are self-evident, and the remedy for the evil is not less so. Only the general diffusion of ordinary learning can counteract the danger growing out of illiteracy; and our public schools wisely sustained are gradually accomplishing this work. With pardonable pride we boast of our public schools and rely upon them as a source of national strength and safety. It is not enough however that such schools exist, not enough that they are of a high order, well supplied with teachers and apparatus. Their influence must be brought to bear upon every child. Education must be compulsory not merely in name but

in reality. Popular opinion must strongly sustain the enforcement of truant laws in every community. Well would it be if a strict educational test of suffrage could be applied. It would drive the worst elements from our politics. It would curtail the power of demagogues, and political tricksters and wire-pullers would lose their control over many of our cities and large towns where now they reign triumphant. It would give to the ballot a higher significance and value than it possesses under the present system. Universal suffrage is a grand ideal when it is accompanied by universal intelligence; but power in the hands of the ignorant is always a source of danger to society.

There are, however, other forms of ignorance besides illiteracy that bear with equal directness and force upon the question of poverty. *Learned ignorance* is no less disastrous than unlearned ignorance, nor is it less common. A great deal of practical ignorance may be found among the graduates of our grammar and high schools; yes, even among our university graduates. The degree of Ph. D., D. D., or LL. D., is no guarantee of practical knowledge or sound common sense. A knowledge of Latin and Greek, of Astronomy or Mathematics, is not all that is necessary to enable a person to work successfully or profitably. In fact a man may be familiar with a

dozen language and as many sciences, and yet be unable to earn a decent living for himself and his family. With all his learning he may be as ignorant as a babe in arms of all useful arts and occupations. And, again, one may receive a large income and live in poverty the while because he is ignorant of the art of spending money.

And the art of spending is no less essential to comfort and wealth than the art of earning. Not many years ago a professor of Mathematics in one of our leading colleges became suddenly bankrupt, and was found to be so seriously involved that he was dismissed from his position in the college. What was the trouble? He had received a salary ample for the needs of his family. As a mathematician he held a high rank and was known throughout the country. But in matters of business he was deplorably ignorant. He did not know how to save money or how to spend it profitably. He was poor on a salary that should have supplied every need and left a good margin for old age. More than one Doctor of Divinity receiving a large salary in the prominent pulpits of our land is obliged to have his debts liquidated at frequent intervals by some wealthy and kind-hearted parishioner, because of his culpable ignorance of business affairs and his neglect properly to regulate the relation between income and outgo.

To be ignorant of the art of earning money is an evil. To be ignorant of the art of spending is also an evil. But when the two forms of ignorance meet in one individual, the case is a sad one indeed. If a laborer from want of skill is able to earn but small wages, and then does not know how to use his limited means advantageously so as to procure the greatest possible return for his outlay, he is doubly poor. And poverty of this sort is by no means infrequent. Read the many tales of suffering and want in our great cities, and in the majority of cases ignorance will reveal itself at every turn as the one chief source of misery. The wages of many a toiler are small, pitifully small, we must confess. Often they are no adequate return for the work done. Yet, small as they are, if wisely and economically expended, they would purchase many comforts, Instead of this, however, they are frittered away on useless luxuries, unwholesome food, showy but useless adornment, until nothing is left for the necessaries of life. A knowledge of the relative value of the different kinds of food and clothing, a little skill in using remnants, would be to many of these sufferers an unspeakable blessing. It would add far more to their real wealth than a hundred per cent. increase in wages.

Attempts have been made by some of the more kindly disposed and far-seeing employers

to improve the condition of those who work for them by providing wholesome diet and regulating the conditions of labor. But it not seldom happens that these well-meant and wisely directed efforts arouse strong opposition on the part of the working men and women whom they are designed to benefit. In many cases they have been abandoned on this account. Ignorance is conservative and suspicious. It does not look with favor on new ideas. It has blocked the pathway of every useful and labor-saving invention. Every movement, even of the purest philanthropy and benevolence, has encountered in this the most serious of all obstacles. Ignorance is ever ready to question and suspect all plans suggested by employers. It creates a fancied antagonism of interests, and lives in a constant state of imaginary warfare, always on the lookout for tricks and strategy, but never ready to accept friendly overtures in good faith.

The obstinacy of ignorance, and the blindness with which it will oppose the best designs, are really marvelous. Mrs. Campbell, in her *Prisoners of Poverty,* tells of a small manufacturer in New York who endeavored to better the condition of his operatives, and how his plans were frustrated by their ignorant opposition and foolish suspicions. First, he tried to improve the sanitary condition of his

work-rooms in the matter of ventilation. To the women and girls, however, pure air meant only cold air, and every window left open they carefully and tightly closed. It was only when he so arranged his ventilators that the girls could not reach them that they would allow themselves the blessing of fresh air. Then he provided good coffee, soup, and bread, to take the place of the pies, cakes, and confectionery that most of them were in the habit of eating. These he sold at cost, so that while they were more wholesome and strengthening they were also cheaper than the sweetmeats. But the girls only laughed at him and abused his kindness to such a degree that he was at length compelled to forego his efforts in this direction. Finally he endeavored to instruct his employees and offered them a system of co-operation; but all in vain. In every thing they saw not a plan for their good, but some scheme for the employer's profit. At every turn they imagined that he was trying to take advantage of their helplessness and to deprive them of a portion of the wages they had fairly earned. Thus their ignorance and unreasoning prejudice defeated an honest attempt to improve the condition of the persons employed by that firm.

Is it strange that employers are slow to adopt new methods and are sometimes indifferent to the comfort and welfare of those

under them, when the most unquestionable kindness and friendly intent is met with suspicion and rebuff? The selfishness and wrong-doing are not all on the side of employers in this matter. Many workmen are themselves chiefly to blame for the ills they suffer.

The one story might be repeated many times with but slight changes of detail; for such cases are by no means rare. Any one who will interest himself in the subject may find similar instances by the score in which poverty and its consequences would be removed or at least very greatly alleviated if the poor would only receive without prejudice the suggestions of those who are better informed than themselves. Untold suffering might be averted if persons of very limited means knew the difference between wholesome and unwholesome food, between showy and durable or comfortable clothing, and between good and bad air. The best is often the cheapest even in the first outlay; and it is always so in the end. Pure air, comfortable clothing and wholesome food are the indispensable requisites for sound health; and poverty rests lightly on the shoulders of a strong and healthy man. Want is the natural child of disease, and it is frequently perpetuated by utter ignorance and neglect of the laws of hygiene.

Poverty does not consist in the mere lack of

money. It signifies rather the inability to satisfy personal needs. One can get along very well without money, if he have sufficient food and clothing and other comforts. The person who earns twenty dollars per week, but is unable to satisfy his needs therewith, to provide himself with palatable and nourishing food and to obtain clothing which shall protect him from the stress of the weather, is poorer than his neighbor who, with only five dollars a week, is able to procure these things.

And it is just at this point that ignorance affects the problem of poverty. Men and women do not know how to use their money so that their real wants shall be supplied. They buy expensive food that does not nourish them. They starve even while they eat. Or they purchase clothing that has a stylish appearance; but they know nothing of its quality, and it quickly wears out. They waste money for expensive amusements that do not afford true rest or recreation, or they squander it upon useless articles, and then wonder why they are so poor. The real wonder is that they make out to live at all.

To cure this poverty-breeding ignorance we need education at once more universal and more practical. Our boys and girls must not devote their years of study wholly to acquiring accomplishments. They must learn those things which will enable them to cope with the

problems of daily life. We have not a word to say against the higher branches of learning, so called. They have their place. But they should not usurp the place that belongs of right to something else. The man who has spent his life delving in Latin or Hebrew or Sanskrit, and does not know how to handle a saw and hammer, or cannot tell the difference between shoddy and durable cloth is a fit candidate for the poor-house. The young man who, after spending seven or eight years at the highest institutions of learning, looks upon a cash account as an unfathomable mystery, is lamentably ignorant in spite of his learning. The same may be said of the woman who can play the piano and sing divinely, or talk fluently in French or German, but who knows nothing of the science of housekeeping and can neither bake a respectable loaf of bread nor choose a profitable cut of beef.

Children should be taught how to *spend* money, as well as how to earn it. The two arts are of equal importance. They must be taught the practical matters of daily life, the necessities of our human nature. Hygiene and household economy must not be neglected for more trifling matters. They must study the construction of the human body, what are its requirements, and how these may be most easily and perfectly satisfied. They must learn the comparative value of different articles of

food and clothing. These and many similar matters should be considered of first importance in our public school education. After they are thoroughly learned, as much else may be added as the taste and means of the individual warrant. In the school of the future Domestic Economy must have a more honorable place than the Classics, and the art of Book-keeping than the Analytical Calculus. As our people become more generally educated along these practical lines, we shall in a corresponding degree overcome that form of ignorance which is a most fruitful source of poverty.

CHAPTER VII.

BABELISM.

The story of Babel is familiar. The oldest of economic writers has told us in a somewhat legendary fashion how mankind at a very early period determined to live together in one vast city with a conspicuous central tower, which might serve as a guide to any wanderer to bring him home again. He also records how this plan was defeated as utterly subversive of the best interests of the race. Eliminating all merely traditional or supernatural elements, the story is marvelously true to life, and is an economic parable that will bear close study to-day.

Every student of social questions must observe with anxiety the rapid growth of large cities in our land. Men and women from all parts of the country crowd together into Boston, New York, Chicago, and other chosen centers at a rate wholly unknown in other countries. London and Paris are the growth of many centuries, while New York has existed less than two centuries, and Chicago has

just passed her first half century. Yet these latter cities already present many of the difficulties that are found in those across the sea, and in some points they are even worse.

New York surpasses London in illustrations of the possible density of population. In one ward the rate is 203,000 souls to the square mile; in another, 208,000; in another, 243,000; and in one section the population is crowded in at the rate of 370,000 persons to the square mile.

The worst phase of city life is found in the tenement houses, where whole families are crowded together in single rooms, and the most ordinary decency is impossible. Think of nine persons sleeping, eating, and preparing food in a room eight feet by twelve and scarcely high enough to allow its occupants to stand erect. Imagine the conditions of life where fourteen persons of both sexes and of ages varying from nine years to adult manhood and womanhood herd together in a cellar without divisions or partitions of any kind. Hundreds of people are found living in tenement houses with an average of six persons to a room.

What results must we expect as inevitable, both moral and physical, from such indecent and unhealthy overcrowding? Can we wonder that ninety per cent. of the children born in such quarters die at a very early age? Is it

surprising that such as survive and come to maturity so often give themselves to lives of sin and crime? Not at all. It could not in the nature of things be otherwise. Healthy bodies and pure minds cannot long exist in an atmosphere so foul and amid surroundings so brutalizing. This overcrowded tenement house life is one of the most serious obstacles to social progress and to moral reform; for its tendency is to debase men in every way, and to propagate disease and crime. Poverty is serious enough under the best of circumstances; but its harmful power and its hopelessness are incalculably increased when it brings men into such surroundings that they lose their true manhood and become mere animals. Then poverty tends to perpetuate itself with all its attendant evils. To mere material want are added moral, intellectual and spiritual poverty. It is therefore no overdrawn figure of speech to call our cities "plague spots on the surface of our modern society."

This evil of Babelism, or the centralizing of population in cities, is rapidly increasing. One hundred years ago, but little more than three per cent. of our population lived in cities of eight thousand or more inhabitants. Now nearly twenty-five per cent. is gathered in such cities. Since the opening of the present century the number of these cities has increased from six to nearly two hundred and ninety.

And the process of centralization goes on with constantly increasing rapidity.

Almost every form of danger that threatens American society and that complicates the problem of labor and poverty is found entrenched most strongly in the city. The city is the center of anarchism, of crime, of poverty and of intemperance. Riots and destructive strikes are almost wholly confined to the cities. Every radical movement has its birth and finds its most vigorous support in the cities. The worst elements of society, the criminals, the idlers, the lawless, crowd to the cities, because in the bustle and crowd of city life they may the more easily escape from the public gaze, and may carry on their unlawful work with greater success and safety. These classes are ever ready to participate in disorder and riot and to urge on all disturbances that will afford them better facilities for plunder. In our country villages and smaller towns there is little discontent, little unrest, little danger; for it is there that we find the greatest proportion of intelligence and the most strongly developed characer. The rural districts contain the conservative and the conserving elements of our population.

Again, it is in our large cities that we find the most glaring inequality of condition. There social lines are most distinctly drawn There is poverty the most intense, and there is

greatest wealth and luxury. Millionaires flourish best in the golden soil of the city; and only the hardening influences of city life and the busy struggle for wealth can grind men down to the bitterest poverty.

With all the forces of evil doubly active in the city, we find the proportion of counteracting forces very much smaller than in the country. There are about four times as many churches in proportion to the population in the country as in the city; and the influence of the Christian church is of necessity less far reaching in the more thickly populated communities. The life of the city is more selfish and less sympathetic than is country life. Men know little, and often care less, about the condition and needs of their neighbors; and when Christian workers really desire to seek out needy ones, it requires much persistent effort to discover the real condition of the great mass of the people. It is easy for persons who are so disposed to avoid notice in the crowded city, so that the Christian church fails to reach many notwithstanding her most untiring watchfulness in this respect.

There is none of the intense suffering and poverty and little of the temptation in the country villages that are so familiar to many of the inhabitants of every great city. Yet thousands of the young men and women of our hill towns are ambitious to see city life; and

they leave happiness and comfort and respectability behind very often, and seek the excitement of the city, for which sight not a few pay the price of poverty and suffering. City life looks wonderfully attractive at a distance; but the nearer view is often a disillusion. It would be very well if every restless young person plodding safely and comfortably along in the country, could read two books that tell the story of city life as no fiction could do. I refer to *The Bitter Cry of Outcast London,* and Mrs. Campbell's *Prisoners of Poverty.* The former tells the story of the real inner life of many London toilers; and the latter portrays a few of the trials of the poor working girls in New York. A glimpse at these stern realities might serve to dispel in some measure the illusions that prevail regarding the delights of city life. It might exert some slight influence in counteracting the fatal tendency towards centralization.

At the present time many earnest men and women are studying the problems of city life, the tenement houses, the sweating establishments, and similar evils, in the hope of bringing relief to the sufferers. Dishonest and oppressive methods are being exposed; unrighteous practises are being denounced, and better plans and conditions suggested. But all these things fall far short of meeting the difficulty. The evil lies not in any individual or in any

method. It lies in the city itself and in the tendency of men and women to come together in unduly large numbers.

The earth is the sole reservoir of human wealth. Our riches are derived from the farms, the plantations, the ranches, the forests, the mines, and the fisheries. Not a dollar comes from any other source. The wealth actually created in all our cities combined is insignificant. They are merely centers of distribution. The country, *the country* is the *source* of all wealth. The nation grows rich according to the measure in which we develop the resources of the earth. The people will be comfortable when a sufficient number are employed in this work of creating wealth from the natural sources. Of course we need a certain number of indirect producers. We need men and women to manufacture the raw material, to transport productions from one part of the country to another, to carry on the necessary lines of exchange; but these should be as few as possible. It is a self-evident proposition that we need many more producers than distributors. The great majority of our people ought to be engaged in direct production of some sort. But are they? The fact that twenty-five per cent. of our population is collected in cities implies that at least one person in every four is merely a distributor. It really implies much more than this. For while every

dweller in the city is a distributor in some sort, not every dweller in the country is a direct producer. The smallest village must have its traders and manufacturers and professional men of various kinds. When all these are taken into the account we have reduced the number of direct producers to an alarming extent.

The gravitation towards the cities means a constant diminishing of direct production, and a constant increase of distribution. No very keen insight is required to foresee the inevitable result. When for any reason the production falls short, or the wheels of commerce are blocked, or at any point the number of indirect producers passes the limit of forbearance, then comes poverty; and those non-producers who are farthest from the sources of supply, in other words the city-dwellers, are driven to the point of starvation. There is no such thing as abject poverty and starvation in the country because people there are in direct contact with the great reservoir of wealth, and in the hardest times they will be able to secure enough to save them from actual suffering.

It is said that by a very reasonable estimate the agricultural resources of America are capable of feeding *one billion people.* And that with our other resources they may not only be sustained but enriched. To accomplish this, however, the resources must be developed.

We must be a nation of farmers and miners and herdsmen and the like rather than a nation of shopkeepers and speculators. We must put a premium upon country life, and endeavor to make it as attractive as city life, that our young men may be held to the soil, instead of seeking the counting-house and the yard-stick.

The social system of the ancient Hebrew nation was a model of economic wisdom. Every family had an inheritance of land which could not be permanently alienated. And thus each individual had some direct interest in agrarian pursuits, and the collecting of the people into a few large cities was impossible.

Our own social system is totally different, and we cannot say that it is in all respects better. In common with many other peoples we discriminate against the producing classes and put a premium on non-production. The farmer is handicapped in the race for wealth, and feels that he could enjoy many more comforts and luxuries if he were a trader. The artisan cannot hope to vie with the speculator in the matter of acquisition. The most insignificant dry-goods clerk in the metropolis enjoys privileges for which his unspeakably more useful country brother longs in vain. Thus has grown up the strong tide of population setting towards the city.

Before the problem of poverty is solved this tendency must be counteracted. So long as the centralizing of population and the process

of crowding continues the most untiring efforts of scholars and philanthropists will be insufficient to cope with the resulting evils. When the supply of workers far exceeds the demand no human power can prevent ruinous competition nor save the workers from poverty. It is not enough, therefore, that we organize societies and frame laws to protect these workers from injustice, that we teach them economy, that we seek to improve their condition. All these things will be powerless to relieve poverty, so long as the ultimate cause exists. We must go deeper. We must strike at the root of the matter, and prevent the crowding before we can hope to obviate its results.

It may be that the doctrines of Mr. Henry George would find a practical interpretation in this light. The tariff question too might assume a different aspect if viewed from this standpoint. But whatever be the means, this should be the end of our striving,—to reduce to the minimum this centralizing force, and to scatter our population in the villages. Every movement that stops short of this must be partial and ineffective. The city threatens the safety of our government, the stability of our social institutions, the comfort and happiness of our people. Before the danger can be met and the evils removed the American people must thoroughly learn *the lesson of the Tower of Babel.*

CHAPTER VIII.

AVERSION TO MANUAL LABOR.

"Whoever does not teach his son a trade, teaches him to steal," said Rabbi Hillel. The proverb is just as true for Americans as for Hebrews. For proof consult the pauper and criminal statistics of our land. Of our paupers, nearly sixty per cent. never had any training in manual labor. And more than eighty-five per cent. of our criminals are persons who have not received an industrial education. The prison records of one state reveal the fact that but little over five per cent. of the entire number of prisoners had learned a trade. It is a significant fact that nearly one half of the criminals of the country are children of mechanics who neglected to teach their sons a trade.

Says Dr. Behrends: "Of the 1,759 inmates of the Elmira Reformatory only 18 8-10 per cent. had ever been engaged in mechanical work, while 78 4-10 per cent. had been common laborers, servants, and clerks, though the ancestral history revealed the fact that 41 6-10

per cent. had come from the homes of mechanics. The disclosures of the Philadelphia prison tables are even more startling. Of the 2,127 inmates, 1,939 were found never to have been apprenticed; 75 were apprenticed, but left before their terms of service had expired, and only 113 had learned a trade,—a little more than five per cent. of the entire number. . . . The ranks of crime are mainly recruited from those who never had a mechanical training. . . . . Our penitentiaries second the admonition that comes from the alms-houses,—*introduce manual training into the public schools* even at the sacrifice of grammar and cube root."

Among the Jews work was esteemed honorable, and the rich and poor, the learned and the unlearned, all recognized the worth and respectability of manual labor. Each man learned some form of handicraft, even though it did not appear that he would ever need to exercise it. The apostle Paul was a tent maker. The rabbi Hillel was a woodcutter. Shammai was a carpenter. The highest men in the nation were smiths, masons, tailors, and handworkers of some sort. It is a fact of no slight significance that Jesus Christ was a carpenter, and that He chose as apostles and founders of His Church fishermen and other manual laborers.

With us all is different. The American

ideal of nobility is to live as nearly as possible without work. Trades are despised, and manual labor is considered to be degrading. Every mechanic longs to bring up his boys in a life different from his own. He tries to find for them some occupation that will not soil the hands or harden the muscles. In accordance too often with parental advice the farm is deserted for the dry-goods counter, and the machine shop or the factory for the office. It is not otherwise with the girls. The marks of a fashionable lady are white, soft hands, a few so-called accomplishments, and an utter ignorance of all practical matters. For a woman to perform manual labor is to lose caste in society; and not a few prefer to live dishonestly or even immorally, rather than to earn their bread by honest toil. Everywhere the ideal is a life of ease, and even those who do work for a living constantly look forward to a time when toil may be laid aside and life "enjoyed."

Undeniably true are these words of Mrs. Campbell: "Year by year in the story of the Republic, labor has taken lower and lower place. The passion for getting on, latent in every drop of American blood, has made money the sole symbol of success, and freedom from hand-labor the synonym of happiness. . . It is the story of every civilized nation before its fall,—this exploitation of labor, this degradation of the worker; and the story of hope-

less decay and collapse must be ours also, if different ideals do not arise. . . . There is not a girl old enough to work at all who does not dream of a possible future in which work will cease and ease and luxury take its place. The boy content with a trade, the man or woman accepting simple living and its limitations contentedly, is counted a fool. . . . Labor is curse; never the blessing that it may bear when accepted as man's chief good, and used as developing, not as destroying power."

In this common aversion to manual labor we may discover one of the principal causes of the rush to the city. Country life means for most persons manual labor. It means farming, or mining, or fishing, or other form of hand work. The city opens many avenues of gentility. The young man goes to the city that he may escape from the farm to the shop or the counting-house. The young women, that she may exchange housework for the more pleasing duties of the "sales-lady," the type-writer, or the cashier. There is a good living for as many as are really needed in these places; but when they become overcrowded some must starve. Production implies manual labor for the majority. To despise manual labor is to lessen the aggregate of production, and to increase the number of those who consume without producing.

Again, the aversion to manual labor gives

rise to much of the speculation that curses our society and commerce. Speculation does not soil the hands, therefore it is considered genteel. That it defiles the heart and sears the conscience is to most men of little moment, since the average man looketh on the outward appearance only. The regular course of evolution is through speculation to pauperism or crime.

Manual labor is often contrasted with *brain work,* and the latter is considered much more noble and worthy of the highest manhood. There is no doubt that the brain worker is a nobler man than the laborer who works like a mere machine, without a thought or care for anything beyond his work and daily food. But the manual laborer is not of necessity a stupid, soulless animal; nor, on the other hand, is it proof positive of intelligence or brain power to abstain from hand work. They are the truest brain workers who see most clearly what needs to be done in the world and then do it in the best possible manner. Without manual labor life and progress would be impossible; everybody would die of starvation. Our food, our clothing, our homes, in short, all the comforts and necessities of life, are the product of manual labor. The greatest benefactors of the race have been in the ranks of the manual laborers. What man that has lived by his wits alone has done so much for the

world as did Arkwright or Stephenson or Elias Howe? Franklin the philosopher is no more worthy of respect than Franklin the printer; nor did the great man ever blush at the memory of the humble service of his youth, even in the midst of his most important diplomatic engagements.

It is in the union of brain work and manual labor that the best results are achieved. Not studied idleness, but intelligent labor is the true ideal of noble manhood and womanhood. We degrade toil when we divorce it from intelligence, and make the worker a mere machine. When we prefer to employ the ignorant and stupid because we can get their service cheaper or because we can treat them with less deference, we are putting a premium on stupidity, and helping to drive intelligent and self-respecting persons from the ranks of service. We exalt labor when we demand that it shall be united with intelligence, and when we treat skilled labor with the respect that it merits.

One cause of the popular aversion to manual labor reveals itself in the inconsistency of many of our most intelligent and well meaning writers upon the subject. Much has been said in a poetic fashion about the "dignity of labor;" but when men write in plain prose, they most frequently demean labor. How often, for example, do we observe that writers who insist most earnestly upon the true nobility of

service exhort the laborer to diligence and faithfulness in his work *in order that he may rise above work and become a master instead of a servant.* To extol the dignity of labor and in the same breath to represent an escape from labor as the great object of life is, to say the least, very inconsistent. This inconsistency bears its natural fruit in the popular views of life and labor. The man who sings the praises of toil while he avoids toil by every possible means should not expect to win many converts to his preaching.

He only shows a true appreciation of the nobility of labor who endeavors to improve his own condition and that of his fellow-men *as laborers,* and to remain a laborer as long as he lives. It should be the aim of every social economist to exalt laborers as laborers, not to elevate them above labor. This is the true Christian ideal, to insist that all men should be laborers, that service is the only measure of manly worth, and that whoever ceases to serve has taken a step downward. Not the servant, but the idler, should be stigmatized. Men should by all means strive to rise, but to rise in service and by means of service. The measure of elevation should be gauged by the quantity and quality of work done; not by the degree of release from work. As the effort of the servant who had faithfully discharged his duty in the matter of five talents was re-

warded by the much greater duty of caring for five cities, so the true reward of all service is more service.

The position of a master or the responsibilities of leadership should be desired only as they afford opportunities for a larger sphere of work and an increased power to give one's energies for the highest good of society. As contrasted with this real growth in working power, all false ideas of personal advancement, all dignities that are based on external appearance, all empty titles by which rank is made superior to true manhood, should be accounted of little value.

A good illustration of the true spirit of respect for labor is seen in the life of Samuel Morley the English philanthropist. He was a man of humble birth and limited opportunities; but by his industry and earnest labor he accumulated a large fortune and attained to an influential position in society and the nation. When he had won success, he was offered a peerage by the government; but he proudly refused the honor, declaring that he was born of the common people, and he would die with the common people. In refinement, culture, and influence, he was the noblest of peers. For the empty title and artificial social position he cared nothing. Would that the same spirit might animate every worker in our own land.

As a people loving manly independenee and strength of character, we should strenuously resist the encroachments of dilettanteism upon our manhood and womanhood. The aversion to manual labor is an indication of moral weakness. It argues the existence of false aims and a perverted ambition. The sturdy virtue of our fathers that conquered the wilderness and made a highway for civilization through the trackless forests is giving place to a namby-pamby sentiment which is destructive to our national character. The world has suffered much from aristocracies of various kinds,—aristocracies of blood, aristocracies of power, aristocracies of wealth; but there is an aristocracy worse than all these. May the Lord deliver us from *an aristocracy of idleness.*

CHAPTER IX.

THE TAX ON BARBARISM.

To speak of *War* as an appreciable cause of poverty in America to-day may seem absurd to many minds. Of course a war within our own borders is expensive, and drains the national resources for the time; but even that has its compensations in after years of quickened trade,—is the common notion. Not a few of our commercial men and large speculators look with undisguised satisfaction and hope on every war cloud that arises across the sea or in South America. They fancy that such a commotion will be a real blessing to our commerce and a stimulus to our industries. Whatever may be its effect upon the nations or individuals immediately engaged, they imagine that we who supply munitions of war shall reap a rich harvest of wealth, which shall for the most part find its way into the pockets of the manual laborers. For this reason the spirit and practise of war find no slight encouragement in the popular opinions of the day. They are stimulated by the public press, and kept

alive by the support of government as an essential element of national life.

Now all such ideas, however widely they may prevail, are wholly out of keeping with the progress of the age in which we live. It is time they were exploded. War is no more essential to the maintenance of national honor than is dueling to the preservation of individual honor. In any of its forms war is a relic of barbarism which still clings to the skirts of our Nineteenth Century enlightenment, and is very hard to shake off. It is the most expensive relic of antiquity that we cherish, and is not worth the price paid. Whether waged within our own boundaries or in some remote quarter of the globe, by our citizens or by the people of other lands, it consumes the wealth of mankind and impoverishes the world. We speak of "*compensations*," but there are no compensations, nothing but total, utter, irretrievable loss; wealth destroyed, industry hampered, society unhinged. So long as we permit this remnant of barbarism to exist we must pay a heavy tax for its maintenance, and that tax like all others will fall most heavily upon the poor.

Take a few figures. The late Civil War cost this nation the immense sum of $6,189,929,908, to which must be added the Southern debt of $2,000,000,000. This was the immediate outlay,—over eight billion dollars. Be-

sides this we pay annually in pensions and interest over $150,000,000, taken directly from our national treasury. The figures startle us even though we can form but a very indefinite idea of their meaning. They tell, however, only a small part of the story. No figures can ever express the weight of terrible burdens which that war has laid upon the shoulders of our people. Think of the precious lives wasted, of the thousands of strong toilers taken away from their work never to return. Think of the waste of labor, the energy put forth that brought no return. Think of the waste of the precious results of many years of labor. These can never be calculated, for they are beyond computation.

Yet even these are not all the wastes to be traced to this one source. Military life very often unfits men for the ordinary pursuits of peace, and for the steady fulfilment of civil and social duties. Vice ever follows in the train of war. A generation has passed since the war swept over our land, but its scars of sin are yet unhealed. Our newspapers are filled with stories of murders, of suicides, of lawless outbreaks, of bold robberies; our newer settlements are the frequent scenes of violence and crime. Many of these are but the echoes of the war. A vast army of tramps wander from village to village in every state, lazy and lawless. Great accessions have been made to

the ranks of pauperism. For many of these evils we find one common cause, *the war*. Slowly the traces of war are disappearing, but it will be many years before we shall be wholly freed from them. Whoever imagines that what was at the time so fearful a calamity has already been transformed into a blessing is greatly mistaken. With passing years the burdens which it brought will grow lighter, but they will never be changed into wings.

If we could trace the history of every case of poverty that exists in our land at the present time, very often we should be led directly to the Civil War. We should learn how the father or the brother, the strong bread-winner of the family, went away at his country's call to see his home no more, or to return sick or maimed, a constant burden upon the weaker ones. We should be told of business hampered, and of failure brought on by the unnatural condition of the country. We should hear of suffering caused by financial panics, the direct outgrowth of the war. The story is a common one, and familiar to the greater portion of the American people. Scarcely a hamlet in our land in which we cannot find at least one home where poverty reigns as a direct result of the war. Of course the pension system has afforded relief in very many cases; but not a few needy and deserving ones have

Heather Emerson

Michael Harrington

waited long and patiently for the relief that never came.

Armless sleeves, wooden legs, and broken constitutions are, however, among the least disastrous result of the war. Other consequences have followed, which, from an economic point of view, are immeasurably more harmful. Says Mr. Adams in his *Chapters of Erie* "The Civil War in America, with its enormous issues of depreciating currency, and its reckless waste of money and credit by the government, created a speculative mania such as the United States, with all its experience in this respect, had never before known. Not only in Broad Street, the center of New York speculation, but far and wide throughout the Northern States, almost every man who had money at all employed a part of his capital in the purchase of stocks or of gold, of copper, of petroleum, or of domestic produce, in the hope of a rise in prices, or staked money in the expectation of a fall. To use the jargon of the street, every farmer and every shop-keeper in the country seemed to be engaged in 'carrying' some favorite security on a 'margin.'" The outcome of this artificial trade and its ruinous effects upon all legitimate industry and commerce we need not discuss here. At present it will suffice to call attention to the fact of the relation between

war and speculation, a direct relation of cause and effect.

Do you ask: Whence come the poor of America? We answer unhesitatingly: Many of them are the offspring of our war. You say: The war was unavoidable. It was forced upon the nation. True, but we are not now dealing with that question. We are concerned only with its economic results. Whatever its causes and circumstances, the war was a fearful waste economically, and this fact should never be forgotten. Our war with Spain and the fighting in the Philippines are trifles compared with the Civil War, and it is too early yet to compute the cost, for we know not how far away the end may be. Still we know that millions have already been expended, priceless lives sacrificed, and the steady industry of the nation disturbed. We know too that we are paying for this war not only in the direct channels of special revenue, but also in indirect ways by the increased cost of the necessaries of life. We do well to study the enormous cost of war in the light of our national experience. The lesson should be stamped upon the minds of every statesman in our halls of legislation; it should be imprinted upon the hearts of our citizens; it should be taught to the rising generation so plainly that a repetition of the war would be forever impossible. The facts are stupendous.

And if a single war could cause so heavy a drain upon national and individual wealth, what must be the sum total of the impoverishment arising from the many wars constantly waged in different parts of the world? Yet men are slow to learn the blessedness of peace.

The *tax on barbarism*, as the cost of war may fitly be called, is far greater than most of us imagine. We call this an age of peace and of enlightenment; but we are paying enormous sums every year for this destructive service.

The United States has a standing army that excites the contempt of the less enlightened nations, and receives much severe criticism from many of our own short-sighted statesmen and economists. Small as it is, however, our annual expenditure for its support is about *fifty-four millions of dollars.* This directly, and many millions more that can never be gathered in statistical tables.

Our own outlay in this direction is a mere bagatelle when compared with that of other nations. Look across the Atlantic and see Europe spending $3,867,500,000 every year on her standing armies and navies. See about four millions of men held in constant idleness, or engaged in unproductive, nay worse, in *destructive* labor. Besides these are more than *sixteen million* men trained for war, and subject to call at a moment's notice. These are the best men of Europe; young men, strong

men, energetic, ambitious men, the bone and sinew of England, Germany, France, Spain, and the other countries. If they could be released from demoralizing army service they would perform useful labor to the value of nearly a billion dollars annually. But we have told less than half the truth when we say that four millions of men are required for the peace footing of Europe's standing army. For in addition to those who do nothing but drill and prepare for purposes of destruction, is another army of men engaged in supplying them with materials for their service. The manufacture of guns, torpedoes, ammunition, food and clothing for the army, employs a great many laborers. Think of the number of men engaged in the construction of a modern iron-clad. You must not stop with the work done in the navy yard; but you must go back to every ton of iron and coal used, to the men engaged in extracting the ore from the earth and in making the raw iron into its various forms, to the men engaged in making the elaborate machinery connected with it, and so on *ad infinitum*. Then consider that the labor of this countless army is absolutely thrown away; that they produce only for destruction and waste. Thus in time of peace Europe is paying several billions of dollars a year for the maintenance of armies and navies. The nations are expending in preparations for war more than

enough to feed all the poor of the United States,—yes, of the whole world. Truly has it been said: "If we could do away with all war, and with all standing armies for half a century, the world would become so comfortable and so respectable that it would not know itself."

But the gates of the Temple of Janus are seldom shut in the Old World. The European powers are engaged in almost constant warfare. Look over the history of the past few years. In 1872 there was the Franco-Prussian war, which cost France $1,500,000,000 in money paid directly as an indemnity to her conqueror, not to speak of cities and homes devastated and lands laid waste. There followed in rapid succession the Ashantee war, the Russo-Turkish war, the Transvaal and Zulu wars, the Afghan war, the Egyptian and Soudan wars, the French Tonquin war, the Mahdi war, and the Burmese war. And even now a second war is in progress in the Transvaal, and a war cloud hangs dark and threatening over China. Can we wonder that the war debts of Europe aggregate $24,113,057,650, and that nearly one billion dollars are annually paid out for interest on these debts? Our statesmen point to the poverty of European peasants and lay it at the door of *free trade* or *protection,* as the case may be. Our social reformers declare it to

be the result of a false system of land tenure or what not. But Mr. Evarts expresses the truth of the matter in a single sentence when he says: "The difference between the German and American farmer is not so much in hard work or high prices as in the fact that *every German workingman carries a soldier on his back.*"

The dominant feeling in America which opposes a large standing army is by all means to be commended. Such armies are the most terrible means of oppression and impoverishment the world has ever seen. Says Dr. Behrends: "A standing army is the creation of fear, and the instrument of oppression. It is a confession of distrust between neighbors; and a man who holds a dagger in one hand and a spade in the other, cannot do even half a day's work well. The camps must give place to factories and farms; the swords must be beaten into plowshares, and the spears into pruning hooks, and the sweet spirit of confiding childhood pervade the nations, before the economic millennium can come."

The nations of the world are daily becoming more closely knit together in their interests. International contacts are many times more numerous than they were one hundred years ago. Swiftness of modern intercommunication has made distance of little account, and the facilities and necessities of commerce

make the most remote nations neighbors. As the decades and centuries pass the brotherhood of humanity reveals itself with ever increasing significance. Neutrals suffer more in modern than in ancient wars. A war on one side of the globe carries its depressing influence to the opposite side. Every nation feels the pain when one is wounded. If in any quarter there comes a temporary quickening of trade or industry, it is like the unnatural strength which a sick man derives from alcoholic or other stimulants, only a momentary advantage to be paid for with interest in the future. Some rich speculators in America may be made richer through the necessities of war in some foreign land; but the poor of America are only made poorer by such an occurrence.

It does not require any very great keenness of vision or skill in reasoning to see how this must be the case. A war, wherever it occurs, implies the absolute destruction of a vast amount of wealth. The valuable products employed in carrying on the war are not consumed but destroyed. They are placed beyond the reach of man for future consumption. The world is therefore impoverished to the extent of the aggregate cost of the war, reckoning all its many elements, the money directly expended, the loss of property and life, the loss by industries blocked and commerce injured and society demoralized, the labor of all en-

gaged in manufacturing or producing the munitions of war, and the army of men prevented from engaging in productive labor. Not Europe alone, but *the whole world* is several billions of dollars poorer every year because of the immense standing armies maintained "to keep the peace." Never was a greater fallacy than the notion that American workingmen are better off because of the idleness of so many men in Europe. The nations are one in this matter. This enormous expenditure is draining the treasury of the world, and America suffers with Europe. Mere trade or the circulation of money does not constitute wealth. Wealth is measured by the abundance of useful production. The greater the production of those things that satisfy human need, the greater the wealth of the world. If, therefore, we could increase the producing force of the world by several millions of intelligent, able-bodied men while at the same time we saved as many billions of dollars worth of waste or useless expenditure, would not all men the world over be enriched by the process? The answer is self-evident.

We repeat, then, war is a relic of barbarism. It is an unmitigated evil. It causes a large draught upon the prosperity, not of one or two nations alone, but of all nations. It destroys the vital resources of the world. It wastes material wealth. It paralyzes all legitimate

industry and blocks the wheels of economic progress. Every honest laborer, therefore, and every friend of industry ought to be a *peace man.* We should rejoice in every movement that is made in the interests of peace. We should honor that statesmanship that seeks to maintain peaceful relations with all the world. We should deprecate every utterance that tends to excite a warlike spirit, as an echo of the dark ages, and every custom that fosters a love for war should be done away.

The ancient Greeks and Romans wisely portrayed the Golden Age as an age of *universal peace;* for only in peace can be laid the foundations of general and lasting prosperity. Modern reformers expatiate upon the evils of existing social and political systems. They advocate changes in land tenure and preach the "single tax" doctrine; or they discuss the relative influence of free trade and protection upon the poorer classes of the people. Of course these different systems all have a bearing upon the fact and degree of existing poverty. Doubtless changes may be effected which shall in some slight measure tend to equalize the distribution of wealth. But all of them put together would not relieve the burdens of our working classes to such an extent as would the cessation of war and the disbanding of standing armies. Cobden

Clubs may have a work to do, and Anti-Poverty Societies may accomplish some useful end; but the *Peace Societies* of our own and other nations deserve a high place among the friends of the poor and the workingman. As their principles prevail and their work advances a great burden will be lifted from the world which will bring direct relief to every struggling laborer in all lands.

It is not uncommon for political demagogues and sensational newspaper paragraphers to criticize our national armament.

Our coast defenses have been declared inadequate. Our standing army has been ridiculed. Our navy has been sneered at. Many of our citizens long to see in this country a military establishment like that of Great Britain and the other European powers; and they murmur at the national policy that keeps army and navy and defenses at the minimum. Yet this is the true policy for a progressive people. It accords with the principles of soundest economy and most enlightened statesmanship. As a people we want neither war nor preparations for war; but peace only, universal peace. Already we suffer enough from the effects of war. Already our citizens are sufficiently impoverished by its excessive burdens. Why not make an end of war? Why not treat with other nations as though war were out of the question? The time is ripe for

the announcement of the most unqualified peace principles. As a people we alone are fitted to take the lead in this matter. The spirit of the age demands that it be done. The true interests of our laboring people demand it. The onward movement of social reform demands it.

CHAPTER X.

THE ECONOMICS OF THE STRIKE.

The man who burned his barn to destroy the rats that ate his corn has been much laughed at for his folly. Yet he has many imitators even among those who laugh loudest. For this barn-burning is no imaginary fable; it is an every-day fact which is of late becoming only too common. Again and again we see this suicidal method of cure applied to the ills of society, and it is growing in favor with those whom it injures most. Men destroy the sources of their own livelihood and doom themselves to poverty or starvation in the vain attempt to injure others who are filching a few handfuls from the store. Hungry mobs, inspired by envy and revenge, set fire to carloads of corn and other food and in a few hours destroy that which would satisfy their hunger for many days. Restless workers demand higher wages, and if their demands are not promptly met, by wanton acts they empty the treasuries from which their wages come as though wages could be increased by such means. Idlers ask for work, and then, as a

means of securing it, block the very industries that would furnish them remunerative employment. And so in many ways wealth is destroyed or production is hindered in the endeavor to punish or to cripple those who are supposed to take more than their share. The result is always the same. The loss sustained in curing the evil is vastly greater than the evil itself. The blow aimed at a real or supposed thief rebounds with double force upon the striker. The rats scamper off in safety to new stores of corn, while he who kindled the flames mourns the loss of both store-house and corn, and perhaps dies of starvation.

In the recent developments of social agitation the strike has become a very popular means of adjusting difficulties. Workmen become dissatisfied with their wages or with the hours of labor or they feel that in some way or other the treatment they receive at the hands of their employers is unjust, and immediately they strike. Or employers have some grievance against their workmen, and a lockout ensues. In their essential nature the strike and the lockout are identical, the lockout being only a strike on the part of employers. In either of its forms a strike implies the stoppage of valuable production, and a consequent loss of material wealth. Although there may be no destructive violence, yet he who hinders a day's productive labor, impoverishes the

community just as much as he who destroys the wealth that has already been produced in a day. Whoever strikes for higher wages, by his own act paralyzes the hand that would pay the wages.

Within the past five or ten years strikes have become almost an every-day occurrence in our land. We can scarcely take up a daily newspaper without seeing an account of some such disturbance in the industrial world. In fact the strike is considered by many as a necessary method of settling the differences between employers and workmen. As the old-fashioned doctors were accustomed to bleed every patient, thus reducing his already exhausted vital powers, as the first step towards his restoration; so the modern social agitator would cure the ills of poverty by first impoverishing society. Strikes are a great waste of material wealth, to say nothing of their moral results. As they are too often conducted, they imply the absolute destruction of wealth; and when conducted in the best possible manner they necessitate a great loss to the community. It usually happens that the loss falls most heavily in the end upon those who take part in the strike.

Perhaps we should not say that strikes are always indefensible or that they are wholly unnecessary. They are, like war, an extreme measure, and may be forced upon those who

recognize their wastefulness. Those who are most directly concerned in a strike may not be really responsible for its occurrence or for its results, and we ought not too hastily to lay the blame on their shoulders; but whenever a strike is carried beyond the most peaceful measures, whatever its provocation, overt violence is always chargeable to the immediate perpetrators. In the case of a peaceful and lawfully conducted strike, if such there be, we may be obliged to unravel some intricate meshes of cause before we can say with any degree of justice where the blame rests. But whoever is responsible for them, the fact remains beyond the possibility of dispute that strikes are a great waste; and any adjustment of the relations of labor and capital which shall put an end to the necessity or possibility of strikes will be an immense boon to our nation. It will save millions of dollars annually, and will be an important factor in the relief of poverty.

In the U. S. Census report for 1880 we find the following suggestive figures regarding the strikes and lockouts of the previous year. The total amount of wages lost during the year was $3,711,097. The aggregate number of days lost by idleness was 1,989,872. The number of men idle was 64,779. The proportion of strikes to lockouts was—strikes 88 per cent., lockouts 12 per cent.

It will be observed that no account is made of any losses excepting those necessarily involved in every strike, viz.: the loss of wages and of productive labor. Many people forget this latter item, and think only of the wages, but the loss of labor is always greater than the amount of wages, since a day's work must not only equal in value the wages paid, but must bring at least a slight profit besides. Hence the direct loss of wealth caused by the strikes of 1879 was something over seven millions of dollars, to which doubtless there should be added a large sum for property destroyed and productive labor indirectly hampered. And when we have gathered them all the figures are much smaller than for any subsequent year.

Official reports estimate the loss of wages in the St. Louis railroad strike of 1886 to have been one million dollars. And that was but one of many strikes during the same year, though it was probably greater than any of the others. Here, too, we must reckon the loss in productive labor, which would add more than another million, making more than two million dollars direct loss in a single strike.

Still greater were the losses in the great railway strike of 1877. To say that one hundred thousand men were idle for many days, and to compute the amount of wages lost, would but feebly indicate the cost of that movement. According to the census report, and also the

report of the Senate committee, the direct loss of railway property destroyed by fire and otherwise in the city of Pittsburg alone is estimated at from eight to ten million dollars. Professor Ely in his book, *The Labor Movement in America,* states that the total loss of property in different parts of the country was not less than one hundred million dollars. Add to this the fact that the entire railway system of the United States was disturbed, and trade interrupted, and the loss will appear very much greater. We are as a nation at the present time dependent on the railways as never before. The railroad is a necessity to make possible our enormous exchanges of products. The farms of the West are useless without easy access to the markets of the East; and the factories of the East must close their doors if they are cut off from communication with the rest of the country. If even for a few days our chief lines of railway should stop their traffic, there would be intense suffering in many parts of the country. Any extended railroad blockade would be felt to the remotest village on the continent. Not tradesmen only, but farmers and laborers of every kind would feel the effect of the depression. Every city from the Atlantic to the Pacific felt the shock of that great strike; and we can imagine, though we cannot compute, the loss of trade arising from want of communication, and the loss of perishable

freight which must be added to all figures that are given regarding the strike. There was in that strike a wanton destruction of property surpassing anything that has occurred in recent strikes. Thousands of bushels of corn and other provisions were burned with the railroad property by men who were clamoring for food. The original purpose of the strike seems to have been lost sight of by many in the insane desire for destruction and revenge.

The engineers' strike on the Chicago, Burlington & Quincy railroad in March, 1888, is still fresh in the minds of all. It was remarkable chiefly for the persistence with which the men held together, and the attempts that were made to force the other railroads of the country into a participation in the strike. The following estimates have been published regarding the cost of the strike:

Loss of wages on the C. B. & Q. road	$306,135
Pay-roll of the Brotherhood	159,450
Grievance committee's loss of wages	30,870
" " expense account	22,050
Non-union men subsidized	20,000
Expense of headquarters	3,375
Santa Fe, and other strikes	24,700
Cost of switchmen's strike	25,000
Miscellaneous loss to workmen	10,000
Loss to Road in traffic receipts	1,800,000
Cost of engaging new men	50,000
Special police protection	180,000
Damage to property	50,000
Miscellaneous	20,000
Total cost of strike	$2,701,580

Still more recent is the Homestead strike, which took place in the Carnegie mills in June, 1892, and which was an utter failure. Conservative estimates reckon the cost of that strike at $10,000,000. Of this sum about $2,500,000 were in wages to the men. The firm's loss was nearly three times as much. The direct cost of troops was about $500,000. The secondary losses must also have been very great.

Not long ago a committee appointed by the U. S. Senate to investigate the relations between capital and labor, included in their report the following figures regarding a series of strikes in different parts of Europe. They are most carefully authenticated.

In the year 1871, 9,000 engineers struck, losing 20 weeks of time, and $900,000 in wages. 15,000 striking bolt makers were idle 40 weeks and lost in wages $300,000. Colliers struck to the number of 18,000, were idle 12 weeks, and lost in wages the sum of $1,980,000. In the year 1872, 10,000 builders struck and were idle 12 weeks, losing $600,000. In 1873, 70,000 colliers were idle on a strike 11 weeks, and lost $3,850,000 in wages. In 1877, masons numbering 17,000 were idle 33 weeks at a loss of $2,800,000. And in 1878, 30,000 cotton mill hands stayed out on a strike 9 weeks at a loss in wages of $1,150,000.

In all these cases we have the minimum figures, representing only the three necessary elements of loss which enter into every strike, namely, the loss of wages, the wasted time, and the number of men withdrawn from productive labor. It is easy to see that if this were the whole story, a strike is an expensive luxury, a great drain upon the wealth of the community. But the figures already given regarding the railroad strikes in our own land show that these three elements constitute very much less than the total amount of loss. There are other chapters to the story. Other elements enter in which greatly increase the cost of the strike to the community. There is the destruction of property, the stoppage of commerce, the crippling of other related industries, and the unsettling of public confidence which is so essential to commercial prosperity and social strength.

The question which presents itself to every workingman of to-day is, *Do strikes pay?* In view of the statistics already given, but one answer is possible. Strikes do not pay. They never have paid; and they never can pay. Can any sane man imagine that the poor people or the laborers of the land were made any richer by the absolute destruction of one hundred million dollars of the national wealth in 1877? Who is so foolish as to suppose that the C. B. & Q. railroad was in a position to

pay better wages to its engineers after a loss of nearly three millions of dollars? Or the Carnegie Company after a much greater loss? Any man who will give the subject a moment's thought can understand that every dollar of wealth destroyed, every day of idleness, every hour of productive labor hindered, makes the community poorer, and drains the sources of supply from which poor and rich alike draw their sustenance.

But some will say that while it is true that the community as a whole is made poor, the workmen do gain something by a successful strike. They compel a more equitable division of the products of labor, and so even though the remedy be severe, its final effects justify the means used. Many who would not for a moment countenance lawlessness or the destruction of property, look upon the strike when free from these elements as a reasonable method of securing justice in the relations of employer and employee. The following figures have been presented as proving the gain to workmen accruing from a successful strike. They are gathered from the statistics of a series of successful strikes in various parts of Great Britain which occurred between the years 1873 and 1878.

In the year 1873, from a total of 8,900 workmen in various trades and communities, 1,000 struck for higher wages. The loss in wages

averaged $9.00 a week for 4 weeks, making an aggregate loss of $36,000. The strike being successful, the workmen received $3.75 each per week for the 4 weeks of the strike, and secured an advance in wages for the entire number (8,900), averaging 62 1-2 cents each per week, or an aggregate of $289,250 for a year. We have then as a result of these strikes a net gain to the workingmen of $268,-250 in a year.

In 1874, from a total of 10,700 men, 1,100 struck. Loss in wages at $9.00 per week for 4 weeks, $39,600. Strike pay at $3.75 per week, $16,500. Advance in wages at 62 1-2 cents each per week, $347,750 for a year. Balance in favor of the workmen, $324,650.

In 1875, from a total of 9,400 men, 1,050 struck. Loss in wages at $9.00 per week for 4 weeks, $37,800. Strike pay at $3.75 per week, $15,750. Advance in wages at 62 1-2 cents each per week, $305,500 for a year. Balance in favor of the workmen, $283,450.

In 1876, from a total of 10,500 men, 1,075 struck. Loss in wages, at $9 each per week, 4 weeks, $38,700. Strike pay at $3.75 each per week, $16,125. Advance in wages at 66 2-3 cents each per week, $364,035 for a year. Balance in favor of the workmen, $326,-335.

In 1877, from a total of 6,500 men, 900 struck. Loss in wages at $9 each per week 4

weeks, $32,400. Strike pay at $3.75 each per week, $13,500. Advance in wages at 58 1-3 cents each per week, $197,145 for a year. Balance in favor of the workmen, $178,245.

In 1878, from a total of 1,300 men, 500 struck. Loss in wages at $9 each per week 4 weeks, $18,000. Strike pay at $3.75 per week, $7,500. Advance in wages at 56 1-4 cents each per week, $38,025 for a year. Balance in favor of the workmen, $27,525. (See *Frazer's Mag.*, vol. c., p. 777.)

The figures here given do not represent all the strikes which occurred in the years mentioned. They were taken from the successful strikes only. During the same years there were very many strikes that were wholly or partially unsuccessful, and they were a total loss to the strikers as well as to the community in general. It will be observed that the amount of gain in each case is for one year only. The favorable balance will have the more significance when we consider that in most cases the gain was permanent.

This is the very best showing that can be made from a few of the most successful strikes, and the gain derived is wholly one-sided. We must always remember, however, that this gain is fully counterbalanced by the losses of the unsuccessful strikes. Very many, especially of the more recent strikes, are unsuccessful and result not only in a loss of time and wages

while the strike is in progress, but often large numbers of workmen are thrown out of employment and forced to remain for a long time in idleness or to seek other work to which they are unaccustomed. Such an unsuccessful strike occurred recently in the coke regions of Pennsylvania. The strikers lost $100,000 in wages, and of the 12,000 men who went out, 5,000 were permanently discharged. The engineers' strike on the C. B. & Q. railroad was also a total failure. The waste of three million dollars brought no gain at all to the strikers, but only resulted in a complete victory for the management of the road, and the loss of thir positions for the greater portion of the men. Such has been the fate of nearly every great strike in America, so that were we to draw up a balance sheet the results of this method of settling labor disputes would be found to tell heavily against the workingmen.

A strike organized without sufficient cause seldom succeeds. It ought not to succeed, since it is apt to disturb the peace of an entire community and cause greatest discomfort to those who are in no way concerned in the dispute from which it sprung. An ill-advised or an unjust strike may by its losses more than counterbalance the gain derived from one that is successful. From this point of view strikes pay in the inverse ratio of their frequency;

but at best they pay one class of society at the expense of others.

This fact ought ever to be kept in mind. In a certain limited sense peaceful and successful strikes are profitable to the workmen. But *every strike, whether successful or not, is a total loss to the community as a whole.* Thus, referring to the illustrations given above, in the year 1873 the community lost $36,000, plus the profit thereon in productive labor. In 1874 the loss was $39,600, plus profit. In 1875 the loss was $37,800, plus profit. And so through all the years. This is the loss as it appears in the figures given, and no one can tell how much of incidental loss should be added. And this loss can never be made up in any way. It is like so much wealth cast into the flames and utterly consumed.

A strike is a war measure which may at times be necessary (if war is ever necessary) to meet oppression and dishonesty, and to secure the rights of a particular class of men; but the time wasted, the property destroyed, and the production hindered are an absolute loss to the world at large. They are the indemnity which society pays for injustice.

By draining the treasury of our land at the rate of more than ten millions of dollars every year, strikes have become a prominent factor among the causes of poverty. They have increased the evil they were designed to cure.

They have opened a wide avenue of waste whose effects are felt most keenly by laboring men. Surely their day is nearly past. The intelligence of American workingmen will not long permit them to use so expensive and barbarous a remedy for social diseases. The progressive spirit of the age demands the use of methods which shall be at once more economical and more permanent in their results.

CHAPTER XI.

THE ECONOMICS OF SPECULATION.

To speculate is American. In no other country is speculation carried on to such an extent as in ours. The sum total of our speculative trade presses close upon the aggregate of our national wealth. The practice of speculation is well-nigh universal. We have professional speculators and amateur speculators. We speculate in produce, we speculate in land. We speculate in manufactures, in railways, in mines, in stocks and bonds, in gold, in iron, in live stock. We speculate in anything and everything. The rich speculate and the poor speculate. Saints speculate, and sinners speculate. Not only bankers and brokers, but merchants, mechanics, lawyers, doctors, legislators, ministers of the Gospel, dry-goods clerks, newsboys, and bootblacks, endeavor to multiply their legitimate earnings by some form of speculation. Even ladies who must earn their own livelihood are trying their skill in the way of speculation; and many a snug little fortune has been accumulated by the keen speculative instinct of women.

Of course the entire amount of the speculative trade throughout the entire country cannot be accurately estimated; for its methods and forms are too complex to be easily traced. But a glance at the work of some of the principal centers of speculation is sufficient to show how enormously disproportionate is this element in our national commerce. The transactions of the Chicago Board of Trade amount to more than three billions of dollars in a single year; of which more than seven-eighths are purely speculative. The speculative trades of the various Exchanges in New York are estimated at from four to five billions annually. These sums are, however, small in comparison with the deals of the Stock Exchange. Several years ago it was estimated that the par value of the annual sales in the New York Stock Exchange exceeds *twenty-two billion dollars.* The entire wealth of the country in 1880 was less than forty-four billions of dollars, or less than double the sum involved in the transactions of this single Exchange.

The smaller cities have their Boards of Trade which do a business corresponding with their size and importance. An experienced member of the Chicago Board estimates their number at more than fifteen hundred. The transactions of the Stock Exchange are repeated with small amounts in almost every broker's office in the land. In every community we

find men trying to imitate with their limited resources the movements of the Bulls and Bears of Wall Street. These minor enterprises taken separately appear insignificant in comparison with the traffic at the great centers of speculation; but the vast number of them taken together gives an aggregate which is by no means trifling.

It needs no argument to prove that this speculative element in our commerce, involving as it does such immense sums of money and extending so widely through all classes of society, exerts a controlling influence for the quickening or depression of trade, and becomes an important factor in the distribution (or rather in the *disturbance*) of wealth. Plainly the economic effect of so much speculation must be either very good or very bad; but whether it is good or whether it is bad is not so plain, if we may judge from the disagreement of the doctors. Opinions differ very widely upon the subject. One class of economists declares that, "Speculation is the Soul of Trade." Another class, with equal confidence, asserts that speculation is subversive of the interests of legitimate trade. A financial panic sweeps over the land and many voices are heard denouncing speculators as the cause of the trouble. Other voices as many and as loud defend speculation and find the cause of the disturbance elsewhere. Yet in

their disagreement all are agreed on one point. Every voice, whether raised in denunciation or defense, testifies to the extent of speculation and its important influence in every commercial movement. In these days of economic study and social agitation, when so much is said about the causes and cure of poverty, the unequal distribution of wealth, and kindred subjects, we naturally turn to the question of speculation, expecting to find in it the key by which some of these other questions may be solved.

In his work on *Progress and Poverty*, Mr. Henry George says: "Production and consumption fail to meet and satisfy each other. How does this inability arise? It is evidently and by common consent the result of speculation. But of speculation in what? Certainly not of speculation in things which are the products of labor,—in agricultural or mineral productions, or manufactured goods; for the effect of speculation in such things, as is well shown in current treatises which spare me the necessity of illustration, is simply to equalize supply and demand, and to steady the interplay of consumption and production by an action analogous to that of a fly-wheel in a machine. Therefore if speculation be the cause of these industrial depressions, it must be speculation in things not the production of labor, but yet necessary to the exertion of labor

in the production of wealth,—of things of fixed quantity; that is to say, it must be speculation in land."

This is the way in which the founder of the great Anti-Poverty Society disposes of the question of speculation and makes it pay tribute to his pet theory. The utter absence of argument and proof must strike any but the most thoughtless. Moreover his conclusion is at once illogical and wholly inconsistent with observed facts. Speculation is speculation wherever it appears, and its nature and effects are everywhere the same. The most casual study shows us that speculation in land is a mere peccadillo when compared with the other forms of speculation carried on in America. Furthermore, even at the risk of seeming to contradict (for, as we shall see later, the contradiction is only seeming), that somewhat uncertain authority expressed in the general phrase "current treatises," we assert that no form of speculation tends to equalize supply and demand, or to steady the interplay of production and consumption. Very far from it. *The sole tendency of speculation in anything is to disturb the equilibrium of trade, to hinder legitimate exchange, and to increase the inequality in the distribution of wealth.*

In our great metropolis we see "grinding poverty and fabulous wealth walk side by side." In the tenements and attics are huddled

together multitudes of poor workers of every sort struggling night and day against starvation, not a few of them driven to lives of sin or a suicide's death by the power of despair. Close by them on the grand avenues we may meet men whose fortunes are almost incredible. The Vanderbilt property exceeds two hundred millions of dollars, and Jay Gould forgets whether he signed a check for five millions or fifty millions. What is the cause of this startling inequality? What has taken the money from the pockets of the many and swept it into the coffers of the few? I answer in a word,—*Speculation.*

I do not mean to say that all the very rich or all the very poor are speculators; for that would be manifestly untrue. A. T. Stewart was not a speculator, yet at his death he was worth fifty millions of dollars. John Jacob Astor accumulated twenty millions, of which only a small portion was the fruit of speculation. The elder Vanderbilt amassed a fortune of from sixty to a hundred millions, much of it entirely independent of speculation. On the other hand very many of the poorest people have never meddled with speculation. There are other causes, specified in the foregoing chapters, which must account for many individual cases of poverty and a few of the large fortunes in the land; but speculation is the underlying force which, more than any other,

disturbs the natural laws and conditions of trade, and brings about such inequality of wealth where all should be comfortable and none should be overburdened with riches.

Doubtless Mr. George, in the expression "current treatises," refers, among others, to the works of John Stuart Mill, who says: "The operations of speculative dealers are useful to the public when profitable to themselves; and though they are sometimes injurious to the public, by heightening the fluctuations which their more usual office is to alleviate, yet whenever this happens, the speculators are the greatest losers." Similar statements may be found in the writings of other well-known economists. With them I have no dispute; for their meaning is clear to one who reads their works, and the truthfulness of their conclusions is for the most part unquestioned. But they use the word "speculation" in a peculiar sense, and one that is nearly obsolete at the present day; a sense quite different from that which Americans attach to it. In fact the meaning of the word has been undergoing a process of evolution during the past half century, so that what our fathers called speculation we should fail to recognize under that title. Some writers make a distinction between "legitimate" and "excessive" speculation; whereas all speculation in the modern sense is excessive.

We must carefully distinguish between the two different senses in which the word is used. When Mr. Mill and economists of his class use the word, they apply it to transactions based upon the actual possession and exchange of the commodities involved. With them it signifies nothing more than trade in which unusual risks are taken. The man who buys up the surplus wheat crop of this year in order that he may profit by the probable shortage next year is a speculator in this sense of the word. So also is the man who buys railroad or bank stocks and holds them till an increase in their value enables him to sell them at a good profit. Speculation in land belongs, strictly, speaking, to this same class, since it implies the actual buying and selling of land. I do not know that there is any form of speculation in land that does not imply a real transfer of ownership.

The form of speculation which prevails most extensively in our country to-day is essentially different from this. It consists in the transfer of paper contracts merely and has little or no foundation in actual exchange of commodities. It is in reality only a form of gambling or betting upon the chances of a rise or fall in the price of any given commodity, and is carried on without reference to real possession. Thousands of young men speculate in stocks who never have money enough at any time to pur-

chase whole shares of any stock. Having scraped together a few dollars, they invest in "margins," that is, they deposit with a broker enough money to cover the change in value of a few shares of stock within a limited range. If the stock falls to the limit within the time specified, the depositor loses his money. If it rises, he wins the amount of increase. In either case he has not owned a single share of stock, and perhaps his broker has not. Similar to this are the methods of speculation in the various exchanges. While a few men really buy and sell wheat, the majority of speculators buy and sell promises. One man makes a contract with another to sell him a million bushels of wheat at a certain price and time. He neither owns nor intends to own any wheat; but when the time comes to fulfil his contract, if the price of wheat has risen above the stipulated price, he settles with the purchaser by paying the difference. If the price has fallen, the purchaser pays him the difference. From the first neither buyer nor seller expected any other outcome of the trade.

By far the greater part of the speculation in our land consists in these fictitious or paper trades. For example, the entire cotton crop of the world, available for American and European consumption, is about seven million bales of four hundred and twenty-five pounds each in a year. The amount of cotton sold in

the exchanges is over eighty million bales, hava value of five billion dollars. In this case the ratio of fictitious trades to the real is more than ten to one. When less than seventy million bushels of wheat are received at the New York Exchange, more than nine hundred millions are sold, giving about the same ratio as before. In the year 1882 the entire oil product of the country was twenty-four million barrels, and the amount sold in the Petroleum Exchange was two billion barrels, showing a ratio of more than eighty dollars of fictitious trade to one dollar of real trade. The same process is repeated with iron and coal and various other extensive products of the country.

Now it does not require any unusual keenness of intellect to distinguish between the different uses of the term "speculation." As I have said, in the writings of the standard economists the word signifies any form of trade involving unusual risks with the expectation of deriving unusual profits. In its modern sense, speculation implies the use of artificial methods to create trade and derive profits without regard to production or the law of supply and demand. The original use of the word has been superseded and wisely, for it was equally indefinite and unsatisfactory. In view of the countless and varied risks in trade, who can say at precisely what point a

risk becomes unusual? Or who can define unusual profits? In our day and land no risk and no profit would be universally recognized as unusual. On the other hand, the use of the term to signify artificial methods of trade and gain is very definite and meets with universal acceptance. It will be seen that this latter definition covers all the speculative transactions described in the preceding pages; whereas the older definition could only be applied to transactions of a wholly different nature which differ from ordinary trade simply in the amount of money involved, or in the commodities exchanged.

When Mr. Vanderbilt obtained control of the Harlem Railroad, and by his skilful management of the road raised the price of the stock from about twenty per cent. of the par value to over two hundred per cent., the profit derived was natural and legitimate. The increase in the price of stock indicated a corresponding rise in value brought about by the improved condition of the railroad. But when a similar change was produced in the price of other railroad stocks by combination and manipulation of brokers, while the real value of the roads and stocks remained unchanged, that was speculation. The profits thus derived represented no benefit conferred upon the public, but were the fruit of artifice and fraud. The man who buys a whole railroad at once

is not necessarily a speculator, any more than is the grocer who buys a dozen of eggs, in the expectation of selling them again at a profit.

It is in its artificial nature that the evil of speculation consists; and whenever this artificial element enters into trade its effect is evil and only evil. It is not a question of legitimate and excessive speculation. Whether little or much, speculation is always injurious in proportion to its extent.

The paper contracts of the various Exchanges already mentioned, involving billions of dollars, imply an actual loss on one side and gain on the other of hundreds of millions. This enormous sum of money does not represent any benefit conferred on the community, any real value received, but is absorbed by the fortunate speculators without any return whatever, leaving the country at large so much poorer. Worse than this, real prices everywhere are largely determined, not by the natural law of supply and demand, but by the fictitious prices of speculators. Men pay for bread, not what it actually costs to raise the wheat and manufacture it and carry it to them, but what can be extorted from them by the tricks and combinations of the Exchange gamblers. The variations in the prices of the different necessary commodities as reported in the Exchanges are felt most keenly by the poor

laborers of the world. Every transaction of a speculative nature increases the cost of the commodity involved by the amount of the profit made.

The commercial history of America abounds with illustrations of the way in which the prices of the most necessary articles are artificially raised and lowered when there has been no real inequality of supply and demand. Corners in wheat, gold, iron, and coal are of frequent occurrence. Thousands of poor people may be starving for want of bread while millions of bushels of wheat lie stored away in the elevators, held to compel a rise in prices. And when the rise comes a few men are made rich by means of the injury they have inflicted upon society. All this is plainly evil. In such transactions there is more of the dynamite bomb than of the "balance wheel."

Again, take the case of speculation in stocks. The man who actually buys a number of shares in some good railway and receives his dividends from the earnings of the road, however large those dividends may be, is deriving profits for which the work of the railroad is an adequate return to society. The benefit is approximately equal to all parties concerned. On the other hand, the man who invests in margins or in stocks and derives a profit from the rise in price which is wholly independent of the real value of the stocks, receives money

for which he makes no return to society at large or to the individuals whose loss contributed to his gain. In all such transactions every dollar of gain to one represents a corresponding dollar of loss to another. The almost incredible fortunes that have been amassed in railroad speculation may be accurately measured by the losses of countless smaller speculators all over the land. Wall Street is the great financial Maelstrom into whose vortex are sucked the wages of many thousands of productive laborers. The movements of the stock market are analogous to the filling and squeezing of an immense sponge. The earnings of myriad workers all over the land are drawn into speculative trade by the hope of suddenly acquired riches, and when it is well filled the sponge is quietly squeezed into the pockets of the great speculators, leaving the vast majority of investors to mourn over their losses. The gain of a million dollars by one man on Wall Street may thus bespeak the loss of their entire savings for a thousand hard-working mechanics or artisans scattered from Maine to California.

The effect of all speculation of this kind is to increase the inequality in the distribution of wealth, and to drive the extremes of society more widely apart than ever. By speculation as a rule the rich grow richer and the poor poorer. Since speculation depends for its suc-

cess upon the artificial raising and lowering of prices, it is self-evident that the rich man who invests millions can exert a much greater influence upon the market than the poor man who invests but a few dollars. The clerk of moderate means who invests ten dollars in margins is wholly at the mercy of the market. He must gain or lose as others shall determine. While a rich neighbor who has bought the same stocks is comparatively independent. When the price of stock is forced down, those who have expended their little surplus in margins lose all as soon as the fall reaches a given point; but one whose resources are far in advance of his investment can tide over the period of adverse fortune, and by holding his stock for a rise in prices may make a large profit in the end. It is this ceaseless crushing of small investors between their wheels that keeps the great speculators from ruining each other, and fills their pockets amid all the fluctuations of the market.

A principle recognized by all true economists requires that for every dollar which an individual receives from others, he should make an equivalent return. The speculator boldly sets this principle at defiance, and seeks to extort as many dollars as possible from his fellow-men without making any return. The result of speculation is the same as in the case of a

lottery or in ordinary gambling:—the few are enriched, the many are impoverished.

When we consider that this process is constantly going on, that more than five hundred million dollars are annually transferred from the pockets of producers to the pockets of non-producers by a method equivalent to gambling with loaded dice, can we wonder at the growing inequalities in our American society? Do we not see in this fact an easy and abundant explanation of some of the problems that meet the social student of to-day? It must be evident to all that so long as speculation continues the equitable (not *equal*) distribution of wealth cannot be realized, the equilibrium of society cannot be maintained, the greatest evils of poverty cannot be done away. Here is a centripetal force of the first magnitude ever working toward the centralization of wealth, and running counter to the fundamental principles of social economy. So long as the force continues in operation we may expect the results to continue. If we would remove the results, we must first try to remove the cause which produces them. It is a time therefore when every sincere reformer and economist should declare plainly against speculation. The line should be carefully drawn between speculative and legitimate trade; and the former should be ruled out of all respectable business circles.

CHAPTER XII.

THE ETHICS OF LABOR.

We hear a great deal just at the present time about the rights and wrongs of labor. Much has been said and written upon the subject by thoughtful persons from every class of society, and by agitators and busybodies who are too often the very reverse of thoughtful. It is generally spoken of as a *social* question, and the moral aspect of the subject is by many either forgotten or ignored. Yet this is the most important of all elements, for it lies at the foundation of the subject. The words "rights" and "wrongs" are ethical terms, and whenever we use them we imply that we are dealing with a moral question, whether we recognize the fact or not. Whenever the terms are used in connection with labor and the laborer, there is the implication that labor has a certain moral value or a certain moral relation to society and to wealth. In other words, the amount of labor which each individual must perform in the course of his life and the proportion of wealth that he shall re-

ceive in return for his labor are not mere problems of science, to be solved by the skilful adjustment of social machinery, and largely conditioned by the changing relations of society. They are questions of real moral gravity, to be answered by an appeal to the eternal principles of truth and righteousness; and every man will be held accountable at the bar of Divine justice for the way in which he answers them.

The majority of mankind look upon the world of society as a great reservoir from which, by some means honest or dishonest, they are to draw out whatever each one may consider necessary for his sustenance and enjoyment. They never ask who stores the reservoir, or what will become of their fellow-men when it is drained of its contents. Still less do they think that they have any duty in the matter of filling it. They say, "The world owes us a living and we are going to have it," and they do not stop to inquire what is the ground of this indebtedness, or whether it has any limit other than the limit of their own capacity to consume and to enjoy.

Such a claim needs but to be stated to be repudiated by every candid, intelligent mind. The fallacy is self-evident. It calls for no argument, but for indignant denial. The world owes no man a living; and whoever takes a living without earning it is a thief.

Justice requires that each individual should receive his fair share of the means of earning a living; but these being put within his reach he alone is responsible for their use or the neglect to use them, and he has a right only to such a living as he actually produces from them. The existing wealth of the world is simply that which men have produced by applying their energy to the God-given means of production. Each man, therefore, has a right to take from this accumulated store of wealth just as much as he puts into it, and no more; neither may he put in of one kind and take out of another except by permission. He may not put in gravel and demand gold in return unless his fellowmen really want gravel and are willing to pay for it with the precious metal. In point of fact, the world is always liberal in dealing with the individual, and men receive from society's treasure house in the aggregate much more than they put in. Where the working of natural laws is unhindered, each one of us receives a considerable gratuity from the earnings of those who have gone before. But this is a matter of grace, not of strict desert.

The *rights* of labor may be easily and accurately stated. Having a just share of the means of production, every laborer may claim just what he produces therefrom, nothing more and nothing less. If he desires other products, he may either change the direction of his labor so,

as to secure them for himself, or he may exchange his own products for the products of others, the amounts given and received being determined by the law of supply and demand.

There is a notion quite prevalent among laboring people that the man who does the hardest work ought to receive the largest pay, and so should be the richest of men and live in the greatest luxury. Those who hold this theory usually estimate the severity of labor from a wholly physical standpoint. A simple illustration will suffice to demonstrate the fallacy of this idea. Let two men occupy adjoining fields. One labors diligently, but moderately, cultivating his land, and raises a fine crop. The other rolls a huge rock about his field from morning till night and day after day, toiling much more severely than his neighbor, but producing no crop. Should the weary, struggling rock-roller have a better living than the easy-going farmer? Of course not. But why not? Because his labor, hard though it may have been, has produced nothing. His time and energy have been wasted. He has accomplished nothing by rolling the rock about his field. He has not added one penny-worth to the world's store of wealth, therefore he has no right to take anything from the common store for his livelihood. Indeed, had all men spent their time and strength in rolling rocks, though all might have labored diligently and

become very much exhausted by their labor, there would have been no food for anybody and all must have starved. It is not, therefore, the severity of labor, but its productiveness, that determines its economic value and its moral worth. Not the hardest worker, but the greatest producer, is worthy of the largest pay.

Production is accomplished in two ways. There is direct production and indirect production; and it is important that we should recognize the latter as well as the former. If a man raises a thousand bushels of potatoes, and in the natural order of things one-half of them would be allowed to decay for want of a market, the man who increases the facilities of transportation so as to save the five hundred bushels by bringing them at once to market, is as truly a producer as though he had himself raised five hundred bushels of potatoes. This is what is meant by indirect production. Its forms and methods are innumerable; but its result is always the same, viz.: to increase the aggregate amount of wealth in the world.

If a hundred men are engaged in a certain manufacture, and one of them, instead of working as the others do, turns his mind to the study of mechanics and invents a machine that will save a great deal of hard labor and at the same time shall double the producing power of the other ninety-nine, that one has done more than any other to increase the amount of pro-

duction, hence he is deserving of higher wages than the others. He has become a producer indirectly by increasing the efficiency of the direct producers.

Again, if a hundred men are cultivating the soil ignorantly and with rude implements, and one comes to them, and, without touching his hands to the work, instructs the ignorant and unskilled laborers so that their crops are much larger while their labor is appreciably lightened, the instructor becomes the greatest producer of all, though he does not directly produce anything.

It is for this reason that the overseer in a factory or the manager of any kind of work receives higher wages than the ordinary workman. His work may not be as hard as theirs from any point of view; but without him their labor would be much less productive and consequently much less valuable. By arranging and controlling the work of all, he makes it possible for them to work together and to use their time and energy to the best possible advantage. In this way their power of production is greatly augmented. The "captains of industry," who direct the work of others, are our greatest producers, since it is their skill which adds most to the wealth of the community.

The importance of indirect production is too often underestimated, not to say wilfully be-

littled, by popular socialistic agitators. Even among thoughtful and intelligent writers upon social economy there are not a few who look upon all indirect producers as drones eating up the honey which the workers have gathered. Take a single illustration from the pen of Adam Smith:

"The labor of some of the most respectable orders in society is, like that of menial servants, unproductive of any value, and does not fix or realize itself in any permanent subject or vendible commodity, which endures after the labor is past, and for which an equal quantity of labor could afterwards be procured. The sovereign, for example, with all the officers both of justice and of war who serve under him, the whole army and navy, are unproductive laborers. They are the servants of the public, and are maintained by a part of the annual produce of the industry of other people. Their service, how honorable, how useful, or how necessary soever, produces nothing for which an equal quantity of service can afterwards be procured. The protection, security, and defense of the commonwealth, the effect of their labor this year, will not purchase its protection, security and defense for the year to come. In the same class must be ranked some both of the gravest and most important, and some of the most frivolous professions: churchmen, lawyers, physicians, men of letters of all

kinds, players, buffoons, musicians, opera singers, opera dancers, etc. The labor of the meanest of these has a certain value regulated by the very same principles which regulate that of every other sort of labor; and that of the noblest and most useful produces nothing which could afterwards purchase or procure an equal quantity of labor."

This passage well expresses the popular idea regarding productive labor; yet it is very short-sighted and misleading. Every man ought to be a productive laborer in some way; but to insist that every man become a direct producer is to roll back the wheels of civilization many centuries. It would benefit none, but would, on the contrary, result in great injury and loss to all classes of society, the aggregate amount of production would be lessened, and the nation's store of wealth would grow rapidly smaller.

Consider the work of some of the professions which the great economist styles unproductive, and see if they do not play an important part in the production of wealth. Setting aside for the moment the highest ideal of wealth, let us test the productiveness of each profession by its efficiency in increasing the material riches of the world.

Officers of state and magistrates are not direct producers it is true; but they occupy essentially the same position in the community as

overseers in a large factory. By watching over and directing and adjusting the relations of the different classes of society, they enable all to work together harmoniously and without waste of energy. When their work is well and faithfully performed, the private citizens of the community are able to produce much more than all could do without such orderly arrangement.

Clergymen do not add directly to the wealth of the country by their professional labor. Yet they are indirect producers just in proportion as their preaching tends to elevate men and to make them more intelligently and conscientiously industrious. The productive efficiency of the work of the Christian clergy is most readily seen by observing the effects of foreign missionary work. In cases where the Gospel has been preached in heathen lands the results may be calculated with comparative accuracy. Under the influence of Christian preaching, squalor gives place to comfort, idleness to thrift, and poverty to comparative plenty. More than all this, it is a well-attested fact that for every dollar that England and America have spent in foreign missionary effort they have received, as a direct result, more than ten dollars in trade. Such results are more conspicuous in mission fields than in Christian lands; but they are no more real nor important. The preaching of Gospel truth in

America and Europe closes many avenues of waste, and cultivates in an ever higher degree the productive energy and thrifty spirit of the people. It is bringing war to an end. It reduces the expense of armies and police. In good time it will make an end of intemperance and kindred vices. Surely that is productive labor which in so many ways tends to increase the wealth of mankind.

Journalists are not direct producers; but what would be the effect upon society and the world if their labor were discontinued? The most important manufacturing and commercial interests in the land would be crippled. For successful and profitable production two conditions are necessary,—capacity to produce, and a market for the commodity produced. Without the latter the former is of no avail. The farmer who raises ten thousand bushels of corn is no better off than his neighbor who raises only five hundred bushels unless he can sell his surplus to those who need it for consumption. Hence the newspaper, by publishing the needs of the various markets, and in countless lines of advertising and general information, brings producers and markets readily into contact and thus becomes a potent factor in production.

In a similar way the railway magnate becomes a producer. With iron links he joins together the most distantly separated producers

and consumers. With constantly increasing speed he brings the produce of the great western farms to the doors of the workmen and manufacturers in the East. He takes even the most perishable fruits from the southern climes and places them all fresh and tempting on the tables of consumers at the North. For the trifling sum of a cent and a quarter he transports a ton of freight a mile, so that the most distant markets are now reached with less expense than was once incurred in reaching those but a few miles from home. For this reason production has been greatly stimulated and the latent resources of our country have been rapidly developed. But for the skill and energy of our great railroad men the present wealth and prosperity of the American nation would still be an incredible prophecy.

Teachers are producers indirectly, because, in the exercise of their profession, they are instructing those who shall afterwards engage in productive labor, and are fitting them to do more and better work than they could do if uneducated.

Lawyers are also indirect producers, in so far as their profession is a necessary part of the machinery of society. Whatever of their labor is given to quibbling and to pettifogging is wasted. But the time and effort spent in positive directions such as the perfecting of laws, the maintenance of strict justice, and adjusting

more equitably the relations of men, prevents friction and loss, and is, therefore, properly considered productive labor.

So, too, the physician, by preserving the life and vigor of many productive workers, becomes himself a producer. The scientist discovers the laws and principles upon which the success of labor depends and thus makes the efforts of the laborer more effective, and the inventor furnishes new and better instruments of labor, both increasing the capacity of the productive worker, so that with the same outlay of energy he may produce much more, or producing the same may live more easily and toil less severely. Hence they too may claim a place in the ranks of productive laborers.

The tradesman and banker, by facilitating the profitable or economical exchange of productions, become indirect producers. Even those professions which have no other end than to amuse the public, as the profession of actors and singers, may be considered productive in so far as they afford needed recreation, giving rest to weary toilers, and prolonging or increasing their power to work. The necessity in this direction is, however, so slight in comparison with the number of people thus employed, and the general effect of their labor is such that we must include the great majority of public amusers among unproductive laborers.

We cannot draw a definite line between the different trades and professions, and declare that the representatives of one profession are all productive laborers, while those of some other profession are all unproductive: for those professions which we consider most useless may become productive, under certain circumstances, and those which are generally accounted productive may likewise become unproductive. If ten men are working together as farmers, it may be to the advantage of all that one should refrain from tilling the soil and give his time to the manufacture and repairing of tools. If by so doing he really facilitates the work of all and secures a greater crop in return for their labor, his labor is as truly productive as is that of the other nine men. If, however, all should say: The tool maker is a producer, therefore we will make tools; then, however diligently they labored, they would starve; for none would be real producers, since they would be manufacturing articles not needed for use, and incapable in themselves of supplying any real want.

This is actually the case whenever a trade or profession becomes overcrowded. There is no increase of valuable production proportionate to the increase of labor expended, consequently some must suffer want. Productiveness is not a mere matter of creative efficiency. Concerning everything created we must ask: Does

it really supply any human need? And it is not a question of possibility, but of fact. Grain is a commodity largely in demand for food; but the farmer who raises grain when there is already more grain in the market than the world's population can consume, is not really a productive laborer. He adds nothing to the wealth of the world; for, since the supply of grain is already sufficient, all that he raises or its equivalent must go to waste. Every intelligent man ought therefore to carefully distinguish between severe toil and productive toil, and also between apparent productiveness and the true productiveness that meets and satisfies some real need of humanity.

The productiveness of labor determines its moral character as well as its economic value. Production is a duty. Unproductiveness is a sin. For him who possesses in any degree the capacity for production and does not utilize it, the fittest of all punishments is starvation. And this is the universal law whose operation is seen in any department of life where the Divine order is not set aside by human interference. He only has a right to live who makes his own living. He who merely extracts a living from the store which others have gathered is a public malefactor, even though he be content with the smallest pittance.

The popular method of estimating the respectability of labor is very short-sighted and

often false. Public opinion condemns the thief who takes his neighbor's property by stealth or by force or by certain proscribed methods of gambling. But if he adopts the disguise of honest toil and labors diligently and regularly, even though he produces nothing by his toil, he may take as much as he can from the wealth which others have produced and no one will call him to account for his action. Or he may steal without toiling, if he be shrewd enough to so entangle the lines of his stealing that his wealth when gained cannot be traced directly to individual losers; and his fellow-men, instead of censuring or punishing him, will only praise his skill as a *financier*. Consequently we find in every community a growing class of unproductive workers. Often they are ambitious; but their ambition looks not to the real value of their labor. It only requires that their toil receive a rich remuneration. They spend all their energy and skill in filching the good things which have been gathered by the labor of their fellows. Like the drones in the bee-hive, they are apt to make a great buzzing and to rush about with an important air as though the life of the entire community depended upon them; but with all their noise they gather no honey, and only drain the cells which others have filled. Little pity do they deserve when the sting of an indignant worker puts an end to their lazy exist-

ence. It were well if the sting of public condemnation could forever make an end of the respectability of unproductive labor. That labor only is truly respectable—*i. e.*, worthy of respect—which is productive of good, which makes the world richer, better, happier. They only are worthy of being counted in the ranks of labor whose toil is in some way productive, whose lives are spent in supplying the great need of humanity. The mere money-maker or accumulator,—however valuable be the wealth accumulated,—though he labor many long hours, and though his hands be hardened with toil, and his brain racked with care, has no claim to honor or even to recognition among the workers of society.

CHAPTER XIII.

THE ETHICS OF SPECULATION.

The moral character of speculation is seldom called in question. Although a certain stigma is often attached to the term "speculator," and the general public looks askance at the wholesale transactions in the Exchanges and on Wall Street, it is not from any moral disapproval of the practice in itself considered. but rather from personal aversion to individuals who have acquired wealth by this means, and the particular methods which they have employed. Ordinary speculation is sanctioned by law and by the popular conscience. It is accounted as honorable as productive trade, and few persons would be restrained by conscientious scruples from sharing in its profits. As a consequence speculation has come to be recognized as a respectable profession when not accompanied by overt dishonesty. In every community we may find men who gain a livelihood by speculation alone. Besides these are very many representatives from every class of society and every real or imaginable profession

who invest a part of their surplus earnings in this form of trade. While they continue to devote their chief attention and energy to some productive calling, whether it be the law, or husbandry, or preaching the Gospel, or measuring cloth, as often as they can spare a few dollars, they put it into margins or stocks, or buy a few lots of land in some growing town, or enter the Board of Trade.

A very few out of the vast number who thus invest are successful; and these usually give up their legitimate toil and turn their whole attention to speculation. Others, and many more in number, simply lose what they invest in this way. Still others, being threatened with loss, constantly add to their unprofitable investment with the hope of saving what they have already invested and thus involve their whole business in ruin, or making use of funds not their own become entangled in hopeless defalcation. It is a fact worthy of notice that the majority of our defaulters have been drawn into dishonesty by unsuccessful speculation. With results, however, we have nothing to do in the present discussion. We are only concerned with the fact that the practice of speculation in some form is well-nigh universal. Men who pride themselves on their strict honesty, who would not intentionally wrong their fellow-men, and who would be ashamed to buy a lottery ticket or stake their money at the

gaming table, have no conscientious scruples against speculation.

Few persons distinguish between legal and moral right; and in this land there is a tendency to submit all questions to the dictum of the majority. We must remember, however, that questions of right and wrong cannot be decided by a show of hands or weight of authority. These standards are very uncertain and changeful. Popular opinion in ancient Sparta declared theft to be a virtue, and the same authority in Judea branded Divine goodness a crime. But notwithstanding all the changes of public sentiment, the eternal principles of right and truth have remained the same, and the moral character of every practice or institution must be determined by these alone.

When weighed in the balances of eternal justice, speculation is found wanting. Its character will not stand the supreme test. It is a moral wrong. It is in its essential nature opposed to all accepted ethical standards. It stultifies the fundamental principles of right which must underlie all permanent social relations. The speculator is a thief from society. He is a parasite, living only as he sucks the life blood of another. He is a public malefactor, having no claim to a place in the ranks of honest trade.

The business of the speculator has not grown

up out of any real or fancied need of society. It is the result of unmitigated selfishness, the reckless haste to be rich. The possibility of acquiring wealth has begotten an intense desire for wealth. The "mushroom" fortunes so common in a new country have become a snare to the people, and almost every young person cherishes the feverish hope that through some happy circumstance wealth will come to him much more quickly than it can be earned by ordinary and natural methods. In a land like ours there is much to foster this hope. Our resources are enormous in comparison with our population and they are as yet very imperfectly developed. In them lie untold possibilities of wealth. The discovery of a mine has made many a poor man rich in a day. Petroleum wells have accomplished the same result. Useful inventions have poured money into the pockets of men who were wise enough and fortunate enough to take advantage of the patent laws. The unusual demands created by the late war were a means of bringing wealth to not a few. And so it has often happened that men of no extraordinary ability have, by seizing some great opportunity, leaped at one bound from poverty to luxury in a most unexpected manner and without unusual exertion on their own part.

Whenever a fortune is thus suddenly acquired the spirit of emulation is aroused. Hun-

dreds of onlookers become dissatisfied with the ordinary, slow processes of acquisition. The industry, the unremitting toil, the constant care, and the patient waiting necessary to gain even a moderate competence are scorned in view of the chance to make a fortune in a day. The question arises in every mind—"One man has done it, why may not all do the same?" With the question comes the determination. In their eagerness they entirely forget the important relation of *quid pro quo,* and see only the fortune acquired without labor or waiting. If natural opportunities for acquisition are wanting, they create artificial opportunities. If they cannot make themselves rich by enriching others, they will do it by impoverishing others. In other words—*they speculate.* Wealth is legitimately gained only by means of production in some form. The discoverer of a mine or of an oil well brings within the reach of men vast stores of wealth which were before unknown and therefore useless; hence he is in reality a great producer and the fortune which he acquires is only a fair return to him for the increase of wealth which he has given to the world. The inventor has become an indirect producer by increasing the producing power of others, if his invention has any real value; hence he also receives only a just return for what he has given to men. The inventor of the mowing machine immeasurably

increased the productive power of agricultural laborers, and thus fairly earned all the wealth he may have derived from his invention. The same element of productiveness underlies all legitimate trade. A farmer in the West raises ten thousand bushels of corn. If he finds no market for it, the greater portion must go to waste. But if another man buys nine thousand bushels and carries it to eastern consumers, he has become a producer as really as though he had himself raised nine thousand bushels of corn. The railroad men and all who took a *necessary* part in conveying the corn from its original producer to the consumer are indirectly producers, for although of themselves they have produced nothing, they have saved the production of the farmer from perishing and thus being lost to the world. The man who actually buys railroad stocks as a permanent investment becomes a partial owner of the road and the profit which he derives from its regular dividends is legitimate gain, since he makes an equivalent return to society in the productive work of the road. In this way the labor of merchants, bankers and countless other classes of society is accounted productive because it forms a necessary link between producer and consumer and thus adds to the wealth of the world. The result of all truly productive labor is to increase the aggregate wealth of society, and any labor

that does not increase or save from loss either the actual wealth or the wealth-producing power of mankind is not in any sense productive. Speculation does neither, but only consumes the wealth of society without replacing a dollar.

Again, all legitimate trade is based upon a voluntary exchange of equal values. This implies first of all that both of the immediate parties to the exchange shall derive an equal advantage from it. This is not all, however, for many exchanges affect not the immediate parties alone, but the community as a whole; and it is just as essential that we leave the treasury of society undisturbed as it is that we deal honestly with a single individual.

A man may derive large profits from purely speculative trade while the individual with whom he trades apparently loses nothing. In fact there may be an extended circle of speculative trade in which all parties directly concerned seem to be about equally profited. This is often the case in land speculation. One individual may buy a lot of land at a moderate price and sell it almost immediately at a great advance. The buyer may sell again also at an advance; and so the selling may continue till one buys it at a high price for permanent possession, and even the last buyer may feel perfectly satisfied with his bargain, for he may still use the land profitably. There has been

no loss but rather a direct gain to each individual having a part in the complex transaction, but in every such case society at large is the loser.

Speculation knows no law of fair or equal exchange. It is not exchange at all. It is merely disguised and legalized robbery. Its working is wholly in one direction. On one side it is all gain; on the other side it is all loss. Every dollar that the speculator gains represents a dollar or more of loss to some one, it may be to the other parties directly concerned in the transaction, it may be to others indirectly concerned, it may be the entire community.

The paper contracts of the Exchanges are perhaps the most extensive of all speculative transactions. These contracts represent no exchange whatever. They are wholly independent of the element of production. Their fulfilment implies merely the payment of a certain sum of money from one speculator to another for which nothing is given in return. The money may go in either direction with equal propriety, since it is wholly unearned. The direction in which it goes is arbitrarily determined by the fluctuations of the market.

The same is true of stock speculation. So far as the principle is concerned it makes no difference whether speculation is in whole stocks or in margins. The broker who buys a thou-

sand shares of stock in some good railway at par and sells them a week later at five per cent. advance because of a forced rise in the market has no moral right to the profit received. The real value of the stock as represented by the condition and traffic of the railroad remains unchanged. He has not earned the money thus gained. If he has derived a profit of five thousand dollars some one has lost just five thousand dollars plus the waste which inevitably accompanies all such transactions. Again, if I place five hundred dollars in the hands of a broker to be invested in margins, when the transaction is closed if I find that I have gained a hundred dollars, then I know that some one has lost a hundred dollars in addition to various brokers' fees and other expenses. When the Bulls and Bears have a skirmish on Wall Street and the victors win a million dollars, it does not always follow that their immediate opponents lose a million dollars, but it does follow that somebody has lost it. Usually the loss may be reckoned in small sums invested in margins by traders, clerks, mechanics, and others throughout the country.

In its essential nature and mode of operation speculation in all these forms is identical with the lottery and ordinary gambling, only that it is if possible less honest. When money is taken from one individual and given to another, not because he has earned it, but because

chance has decreed it, what difference does it make whether the chance is determined by a throw of the dice or the choice of a lucky number, or a movement of the stock market? Is not the moral character of the transaction the same in either case? In the case of the great speculators they are themselves the forces that move the market and determine the loss or gain. Their whole effort and ingenuity is given to the work of circulating false impressions and misleading their opponents as to their real intentions and the actual state of the market. Their action is precisely that of experienced and unscrupulous gamblers trying to outwit each other in the keenness of their cheating.

What a moral spectacle was presented to the world when, a few years ago, a father and son, both prominent speculators, measured swords in the arena of the stock market. Never were deadly enemies more anxious to deceive one another regarding their movements and intentions. Each taxed his strategic powers to the utmost, and the youth proved a more apt pupil in the art of dissembling than even his doting parent could wish, for he at length succeeded in bleeding the old gentleman to the extent of many thousand dollars.

Again, take the case of the land speculator. His business is of the same moral character as that of his brother in the stock market. It

depends for success upon an artificial disturbance of the natural laws of trade. He aims not to supply an existing demand, but to create a fictitious demand which he may use for his own profit. He goes to some quiet town, buys up a large tract of land in some eligible locality, and then, by a process well known to speculators, creates a "boom" and attracts buyers. In a very short time he sells enough of the land to give him a rich profit on his investment. Or it may be that he prefers to go to a place where the boom has already been started, and he merely steps into the current and, by skilful purchases and sales, causes to pass rapidly through his hands a number of desirable lots by which process he gains many thousands of dollars.

Now what right has he to the money thus accumulated? He has not earned it. He has added nothing to the wealth of the community. The land is just as it was when he bought it. He may have laid out streets and made some slight improvements, but they are trifling in comparison with the profit derived. He has taken several thousand dollars from the community for which he has made no return. This is obviously unjust, no matter by what process it has been accomplished. He may say that he has cheated no one, for the purchasers have all done as well as himself. They bought the land freely and without any manner of com-

pulsion; therefore the trade is in every way a case of fair exchange. So it seems if we consider only the immediate parties to the transaction. But let us look a little further. I buy a lot of land to-day for a thousand dollars. By dividing it into small lots and booming it I sell it next week for two thousand dollars. What have I done? I have taken advantage of an artificially created demand for land to extort from society a thousand dollars for—*nothing*. The individuals to whom I sold the lots may fancy that they made good bargains, and so they may *as compared with others;* but the community is just one thousand dollars poorer for my transaction. I have drawn a thousand dollars from the world's store of wealth without returning a cent.

Many an American town is suffering to-day from the fearful drain that has been made upon its resources under pretense of stimulating its early growth. Speculation of this sort affects the prosperity of a town much as alcohol affects a sick man, giving an unnatural vitality at the time which must be paid for with interest in the future. Many people fancy that our country is being vastly benefited by the work of speculators in developing our great West and in building up new towns on the frontier. But if a balance sheet could be accurately drawn, it would appear that every dollar of gain from these speculations in real estate has

its corresponding dollar of loss in some part of the country. The successful towns have been built upon the ruins of others less successful. The advancing prices of land in Kansas or California only keep pace with the falling prices in the hill towns of New England. The gains of the non-producing western speculator are accounted for in the scanty living of the producing farmers and other laborers in the East.

From an economic point of view speculation in land or in any other commodity where there is actual ownership and transfer of property, is much less harmful than the paper contracts and speculation in margins, since it is necessarily limited in amount. Ethically, however, there is no difference. Every form of trade whose profits do not represent real earnings but are derived from artificial changes in the market, is morally wrong even though its economic effect be unappreciable. Any person who draws a dollar from the treasury of society without making an equivalent return is dishonest.

Every social problem presents two phases, the economic and the ethical. These are in a sense wholly independent of each other, yet they are always harmonious. That is to say, the economic effect of a custom or institution cannot be attributed directly to its ethical character, nor, on the other hand, is its ethical status

to be determined by its economic effect alone. Still it is doubtless true in every instance that, in the broadest view, the economically expedient is also the ethically right. Of the two elements the ethical is the more important, since it lies at the foundation of all social relations. No custom can be beneficial to society, no economic system can be satisfactory, no state of society can be permanently harmonious, that does not rest on a sound ethical basis. Furthermore, any plan for the solution of existing difficulties that takes no account of the ethical principles involved must prove a signal failure. It is of little use to change external forms unless our work goes deeper. To legislate evils out of existence is impossible. Economic changes and reformatory legislation are of value only when they express a real advance in the moral sentiment of the people.

The evils which exist in American society today and which cause so much trouble and unrest are not the result of an imperfect social system merely. They spring chiefly from a lack of true moral principle. The popular conscience is not as keen as it should be, especially in matters where large sums of money are involved. It is difficult to persuade a man that the business by means of which he has accumulated great wealth is morally wrong. The selfish love of money lies athwart the path of every moral reform and clogs the wheels of

human progress. For many years slavery was declared to be a Christian institution, because there was money in it. Hundreds of men will not see the real iniquity of the liquor traffic because they derive a large revenue from it. So it is with speculation. The large fortunes that have been quickly and easily acquired by this form of trade have made men willingly blind to its real character. It has appeared so respectable in many cases as to deceive even the very elect.

But the time is coming when this disguise must be removed. The spirit of the age demands it. A moral evil requires a moral remedy. Social changes may accomplish something in this matter; but there must also be a thorough change of moral sentiment. The conscience of the people must be more finely tempered. The work of reform will not be complete till the speculator is degraded from the ranks of honest trade and compelled to take his place beside gamblers and other social outlaws.

THE END.

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